

Roanoke Redevelopment and Housing Authority

FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority

Table of Contents

September 30, 2014

<u>Contents</u>	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements	10
Statement of Net position	11
Statement of Revenues, Expenses, and Changes in Net Position	12
Statement of Cash Flows	13-14
Notes to Financial Statements	15-36
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	37-38
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By OMB Circular A-133	39-40
Schedule of Expenditures of Federal Awards	41
Notes to Schedule of Federal Awards	42
Schedule of Findings and Questioned Costs	43-45
Supplementary Information	46
Schedule of Funding Progress	47
Financial Data Schedule	48-61
Independent Accountant's Report on Applying Agreed-Upon Procedures	62-63

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Roanoke Redevelopment and Housing Authority:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Roanoke Redevelopment and Housing Authority, (the "Authority"), as of and for the year ended September 30, 2014 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Roanoke Redevelopment and Housing Authority as of September 30, 2014, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis contained on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Roanoke Redevelopment and Housing Authority taken as a whole. The accompanying information listed as supplemental information, including the Financial Data Schedule and Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The schedule of expenditures of federal awards and the financial data schedule are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and financial data schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2015 on our consideration of the Roanoke Redevelopment and Housing Authority's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Roanoke Redevelopment and Housing Authority's internal control over financial reporting and compliance.

March 31, 2015  
Toms River, New Jersey

*Imp Perry and Gray CP*

# ROANOKE REDEVELOPMENT & HOUSING AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2014

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The Roanoke Redevelopment and Housing Authority (the Authority or RRHA) is a political subdivision of the Commonwealth of Virginia and is empowered to implement housing, community development, redevelopment, and revitalization programs within the City of Roanoke, (the City). The City created the Authority in 1949 under the provisions of the United States Housing Act of 1937. Under Title 36 of the Code of Virginia, the Authority has the power to acquire, lease, and improve property, to acquire via eminent domain; to make loans or grants; to investigate and determine whether an area is blighted; and to carry out a redevelopment plan in cooperation with local government.

The Authority presents this discussion and analysis of its financial activities for the fiscal year ended September 30, 2014. Please read this overview of the Authority's financial activities in conjunction with the financial statements which begin on page 10.

The discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The financial section of this report includes management's discussion and analysis, the basic financial statements, and other supplementary information. The basic financial statements are composed of two parts: 1) the financial statements and 2) the notes to the basic financial statements. The other supplementary information included in the financial section of the report presents required information as well as some information that is not required yet considered of interest to readers of the report.

The primary focus of the Authority's financial statements is on the financial statements of a single business-type activity that combines all programs administered by the Authority. A separate column in the financial statements also shows the combined transactions of the Authority's real estate limited partnership component units.

The financial results of the discretely presented component units are not addressed in this management discussion and analysis.

### **FINANCIAL HIGHLIGHTS**

The Authority's FY 2014 major financial highlights included the following:

Total assets and liabilities of the Authority were approximately \$56.2 million and \$4.5 million respectively; thus total net assets were approximately \$51.7 million at September 30, 2014.

Total Revenues (including capital contributions and grants) and expenses were approximately \$22 million and \$21.3 million respectively.

Revenues are derived from various sources with approximately 83% received either directly or indirectly (through the City) from the U. S. Department of Housing and Urban Development (HUD). Rental Revenues account for an additional 18% of total revenue; the remaining (-1%) of revenue balance is derived from the cost of sale of assets, miscellaneous fees for services, other government grants, or nonoperating sources (i.e. investment income, and development fees). The cost of sale of assets resulted in a negative 1% in revenues due to the donation of land that had been held on the Authority's books on behalf of the City of Roanoke and was donated back to the City to be used for various projects. The City provided the Authority the funds to purchase the land and was held by the Authority until the City developed plans for its use.

Total liabilities decreased during the year by approximately (12%) due to reductions in bonds and notes outstanding.

The net increase in cash for the year was approximately \$3 million. Operating activities increased cash flows by \$1.7 million due to an increase in cash receipts from operating grants and subsidies received; net cash flows used in capital activities decreased; and net cash flows from investing activities increased.

## MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

### AUTHORITY FINANCIAL STATEMENTS

The Authority's mission focuses on the planning, design, construction, preservation, rehabilitation, financing, and management of housing, primarily for low- and moderate-income households, assisting in the revitalization of neighborhoods, and redevelopment of commercial and industrial areas in the City of Roanoke. As of September 30, 2014, the Authority owned over 1,200 residential units that are leased to low-income families and individuals. In addition, housing assistance was paid to over 1,600 households under the Federal Housing Choice Voucher program for privately owned existing housing.

### BASIC FINANCIAL STATEMENTS

The Authority is presenting its fiscal year 2013 management's discussion and analysis based on the financial results of its enterprise programs in three basic financial statements - the statement of net position; the statement of revenues, expenses and changes in net assets; and the statement of cash flows. The statement of net position reports all financial and capital assets of the Authority and is presented in a format where assets equal liabilities plus net position. Net position is broken down into the following three categories:

- *Net position, invested in capital assets, net of related debt* consist of all capital assets net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- *Restricted net position* consists of assets that are restricted by constraints placed on the asset by external parties, such as, creditors, grantors, contributors, laws, or regulations reduced by liabilities payable from such assets.
- *Unrestricted net position* consists of net position that do not meet the definition of net position invested in capital assets, net of related debt, or restricted net position.

The statement of revenues, expenses, and changes in net assets includes operating revenues, such as operating grants and rental income; operating expenses, such as administrative, utilities, maintenance, depreciation; and nonoperating revenues and expenses, such as investment income, interest expense, capital contributions and special items, such as impairment loss on capital assets. The statement's focus is the change in net position, which is similar to net income or loss.

Finally, a statement of cash flows is included, which discloses net cash flows from operating activities, capital and related financing activities, investing activities and noncapital financing activities.

These basic financial statements utilize the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period they are earned and expenses in the period they are incurred.

These financial statements represent over a dozen programs and activities. Most of these programs are financed by federal grants from HUD, rents, and other user charges resulting from operations of subsidized housing, by development and financing fees, and by investment income and loan proceeds. The Authority also administers housing and community development activities, in which funding is controlled at the City level.

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

**FINANCIAL ANALYSIS OF THE AUTHORITY (ENTERPRISE FUND)**

The following table summarizes the changes in net position between September 30, 2014 and 2013 for the Authority as a whole:

	<u>2014</u>	<u>2013</u>	<u>NET CHANGE</u>	<u>%</u>
Cash	\$ 10,695,904	\$ 7,779,507	\$ 2,916,397	37.49%
Current Assets	4,596,763	5,933,428	(1,336,665)	-22.53%
Non-current Assets	3,562,013	3,617,151	(55,138)	-1.52%
Capital Assets - Net	<u>37,320,837</u>	<u>38,860,539</u>	<u>(1,539,702)</u>	<u>-3.96%</u>
Total Assets	56,175,517	56,190,625	(15,108)	-0.03%
Current Liabilities	1,498,771	1,757,320	(258,549)	-14.71%
Non-current Liabilities	<u>2,964,202</u>	<u>3,341,525</u>	<u>(377,323)</u>	<u>-11.29%</u>
Total Liabilities	<u>4,462,973</u>	<u>5,098,845</u>	<u>(635,872)</u>	<u>-12.47%</u>
Invested in Capital Assets -net of Related Debt	37,224,896	38,327,677	(1,102,781)	-2.88%
Restricted Net Position	701,604	472,792	228,812	48.40%
Unrestricted Net Position	<u>13,786,044</u>	<u>12,291,311</u>	<u>1,494,733</u>	<u>12.16%</u>
Total Net Position	<u>\$ 51,712,544</u>	<u>\$ 51,091,780</u>	<u>\$ 620,764</u>	<u>1.21%</u>

Total assets of the Authority decreased slightly (.03%) due to a decrease in accounts and notes receivables, and other assets.

Cash increased approximately 38% due to a reduction in operating activities and maturing investments that were not reinvested. Current assets decreased approximately 23% as a result of decreased accounts receivable and investments that either matured or were called during the year and reverted to the Authority's cash account.

Noncurrent assets decreased 3% due to payments received during the year on notes and mortgages receivable. Capital Assets decreased 4% due to depreciation expense and the transfer of property to the City of Roanoke.

Of the approximately \$4.5 million of liabilities, \$1.5 million or 34% are current liabilities, which will require payment within 12 months of the reported fiscal year-end and \$3.0 million or 66% are non-current liabilities for which payments will be made in following periods.

Current Liabilities decreased 14.7% due to the maturity of bonds payable during the 2014 year.

Non-current liabilities were reduced during the year by approximately 11.3% due to principal payments on mortgage notes. No new debt was issued during the year.

Total net position increased slightly from the prior year by 1% as a result of the combined activities of HUD and Non-HUD programs throughout the year.



**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

The following table summarizes the changes in operations between fiscal years 2014 and 2013 for the Authority as a whole:

	<u>2014</u>	<u>2013</u>	<u>NET CHANGE</u>	<u>%</u>
Tenant Rental Revenue	\$ 3,492,255	\$ 3,353,220	\$ 139,035	4.15%
HUD Operating Grants	16,482,995	14,552,412	1,930,583	13.27%
Fraud Recovery	-	-	-	0.00%
Other Revenue	<u>(72,449)</u>	<u>739,177</u>	<u>(811,626)</u>	<u>-109.80%</u>
Total Operating Revenue	19,902,801	18,644,809	1,257,992	6.75%
Operating Expenses:				
Administrative	3,323,206	3,224,753	98,453	3.05%
Tenant Services	457,785	600,433	(142,648)	-23.76%
Utilities	2,030,828	1,880,867	149,961	7.97%
Maintenance	2,493,046	2,609,952	(116,906)	-4.48%
General Expenses	702,454	1,652,079	(949,625)	-57.48%
Housing Assistance Payments	9,683,921	9,992,546	(308,625)	-3.09%
Depreciation	<u>2,604,904</u>	<u>2,464,493</u>	<u>140,411</u>	<u>5.70%</u>
Total Expenses	21,296,144	22,425,123	(1,128,979)	-5.03%
Operating Income (Loss)	(1,393,343)	(3,780,314)	2,386,971	-63.14%
Non-operating Revenue (Expenses):				
Investment / Mortgage Interest	247	18,615	(18,368)	-98.67%
Interest Expense	(57,515)	(88,127)	30,612	-34.74%
Extraordinary Maintenance	(36,969)	(222,469)	185,500	-83.38%
Casualty losses	(173)	(4,484)	4,311	-96.14%
Gain on the Sale of Capital Assets	<u>20,045</u>	<u>-</u>	<u>20,045</u>	<u>100.00%</u>
Non-operating Loss	(74,365)	(296,465)	222,100	-74.92%
HUD Capital Grants	<u>2,088,472</u>	<u>1,830,796</u>	<u>257,676</u>	<u>14.07%</u>
Net Change	<u>620,764</u>	<u>(2,245,983)</u>	<u>2,866,747</u>	<u>-127.64%</u>
Beginning Net Position	51,091,780	53,337,763	(2,245,983)	-4.21%
Total Net Position	<u>\$ 51,712,544</u>	<u>\$ 51,091,780</u>	<u>\$ 620,764</u>	<u>1.21%</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Total Revenue increased 21% due to the net increase in HUD grants of approximately \$2.2 million and a decrease in Other Revenue of \$.8 million. Tenant Revenue increased 4% due to higher occupancy rates in the low rent program.

Other revenue decreased approximately \$.8 million due to a reduction in income related to the South Jefferson Redevelopment project and due to the cost of sale of the assets related to the transfer of property to the City of Roanoke.

The Authority received payment for land that was sold during the 2013 fiscal year which was related to the South Jefferson project. There was no similar activity that occurred during the 2014 fiscal year.

Total expenses decreased by \$1.1 million or 5% due to a decrease in tenant services, general expenses, and housing assistance payments.

Tenant Services expenses decreased approximately 24% due to employee turnover when compared to the 2013 fiscal year which resulted in a decrease in salaries and expenses in the 2014 fiscal year.

General expenses decreased 57% due to a significant decrease in bad debt expense. During the 2013 year bad debt expense was recorded in relation to the sale of one of the component units. No such bad debt expense was recorded in the 2014 year.

Housing assistance payments decreased when compared to the 2013 fiscal year due to a reduction in funding for the program during the 2013 fiscal year. As funding levels increased during the 2014 fiscal year the Authority was able to issue vouchers. It can take several months for the vouchers issued to become leased and the realization of expenses to occur. This resulted in a reduction of housing assistance payments of three percent for the year.

Operating Loss decreased 63% due to the combined effect of increased Revenue and decreased expenses as previously discussed.

Investment Interest Income decreased approximately 99% due to a continuing reduction in the amount invested. Maturing investments were not reinvested due to anticipated use of the funds.

Interest Expense decreased 35% due to declining balances of bonds and notes payable because the 2003 Series bond issue matured.

Extraordinary Maintenance decreased 83% due to expenditures incurred in 2013 in the low rent program for improvements to various sites for mechanical repairs and enhancements. Such expenditures were significantly less in 2014.

Casualty Losses decreased 96% due to reduced unit fires in the Low Rent program between 2013 and 2014.

Losses from the Sale of Capital Assets increased 100% due to the sale of surplus equipment in 2014.

HUD Capital Grants increased 14% due to an increase in capital grant expenditures that were recorded for capital improvements during the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital Assets:*

The following table summarizes the changes in capital assets between September 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>	<u>Net Change</u>	<u>Variance</u>
Land	\$ 15,235,852	\$ 15,576,237	\$ (340,385)	-2.19%
Infrastructure	3,109,317	3,109,317	-	0.00%
Buildings and Improvements	72,093,857	69,172,092	2,921,765	4.22%
Furniture and Equipment	2,184,417	2,243,159	(58,742)	-2.62%
Construction in Progress	3,046,729	4,614,405	(1,567,676)	-33.97%
Total	<u>95,670,172</u>	<u>94,715,210</u>	<u>954,962</u>	<u>1.01%</u>
Accumulated Depreciation	58,349,335	55,864,671	2,484,664	4.45%
Net Capital Assets	<u>\$ 37,320,837</u>	<u>\$ 38,850,539</u>	<u>\$ (1,529,702)</u>	<u>-3.94%</u>

All variances were primarily due to modernization projects that were active or completed during the year; in addition the land variance was influenced by the transfer of property to the City of Roanoke.

- *Public Housing Loans and Bonds* - In fiscal year 2003, the Authority issued bonds for \$3.3 million to fund additional Public Housing construction. Those bonds matured as of September 30, 2014 resulting in a zero balance. No other bonds were issued during the fiscal year.

- *Dual-funded Mortgage Loans* - In fiscal year 2014 the Authority has debt related to a dual-funded loan program that allowed low-to moderate-income homeowners to rehabilitate their homes. The outstanding balance as of September 30, 2014 was \$507,484.

- *City of Roanoke Loans* - the Authority entered into an agreement with the City of Roanoke to finance a portion of home rehabilitation loans. The outstanding balance on amounts owed to the City of Roanoke was \$1.8 million at September 30, 2014.

**Economic Factors**

The Authority continues to face uncertainties regarding the subsidized funding levels provided by HUD for its assisted housing programs. These uncertainties have both an immediate and long range impact on the operations of the Authority. In 2014 the Authority received 84% of its funding from HUD. The low rent program was funded at 89% of its eligibility for 2014 while in 2013, HUD funded the low rent program at 82%. In 2012 and 2011 the low rent funding was 95% and 100% respectively. Prior to 2010 housing agencies had not received full operating funding since 2002. HUD is currently funding the Housing Authority at 82% for 2015 but the final funding rate has not been determined.

Funding for the Capital Fund program for 2015 is anticipated to remain level with the 2014 funding amounts due to congressional appropriations. Funding for the Capital Fund continues to fall short of the annual accruing capital needs amounts.

The Housing Choice Voucher (HCV) program has also experienced a reduction in funding for the past several years. The Housing Choice Voucher program saw an increase in funding during calendar year 2014 to 99.7% this was up from 94.1% the prior year. Administrative fees were funded at 79% for calendar year 2014 up from 69% in 2013.

While the Authority expects increased funding levels in federal programs in 2015 over 2014, it also faces challenges with escalating costs in managing these programs. RRHA's management staff continue to closely monitor these programs and seek out innovative cost reduction measures to fulfill its mission.

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the VP of Finance/CFO, Roanoke Redevelopment & Housing Authority, 2624 Salem Turnpike, NW, Roanoke, VA 24017 or visit our website at [www.rkehousing.org](http://www.rkehousing.org).

BASIC FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority  
Statement of Net Position  
September 30, 2014

ASSETS	<u>Enterprise Fund</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 10,695,904	448,947	11,144,851
Accounts receivable - other	358,610	-	358,610
Accounts receivable - tenants, net	91,176	14,660	105,836
Notes & mortgage receivable - current	276,017	-	276,017
Investments	1,664,231	-	1,664,231
Prepaid expenses	269,694	24,993	294,687
Accrued interest receivable	13,759	-	13,759
Assets held for sale	<u>1,923,276</u>	<u>-</u>	<u>1,923,276</u>
Total current assets	<u>15,292,667</u>	<u>488,600</u>	<u>15,781,267</u>
<b>RESTRICTED ASSETS:</b>			
Cash and cash equivalents	<u>1,280,037</u>	<u>593,582</u>	<u>1,873,619</u>
Total restricted assets	<u>1,280,037</u>	<u>593,582</u>	<u>1,873,619</u>
<b>NONCURRENT ASSETS:</b>			
Land, structures and equipment net of accumulated depreciation	<u>37,320,837</u>	<u>18,892,863</u>	<u>56,213,700</u>
Total fixed assets, net	<u>37,320,837</u>	<u>18,892,863</u>	<u>56,213,700</u>
Notes & mortgages receivable, excluding current portion, net	2,281,976	-	2,281,976
Other assets	<u>-</u>	<u>38,394</u>	<u>38,394</u>
Total assets	<u>\$ 56,175,517</u>	<u>20,013,439</u>	<u>76,188,956</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 683,191	17,024	700,215
Accounts payable - HUD	34,284	-	34,284
Accrued wages and payroll taxes	146,680	-	146,680
Accrued compensated absences	105,965	-	105,965
Accrued interest	1,452	11,417	12,869
Accrued liability - other	12,824	-	12,824
Tenant security deposits	156,552	28,500	185,052
Notes payable, current portion	290,828	71,985	362,813
Deferred revenues	48,397	492	48,889
Other current liabilities	<u>18,598</u>	<u>10,244</u>	<u>28,842</u>
Total current liabilities	<u>1,498,771</u>	<u>139,662</u>	<u>1,638,433</u>
<b>NONCURRENT LIABILITIES:</b>			
Notes payable, excluding current portion	2,462,010	7,146,051	9,608,061
Other liabilities	<u>502,192</u>	<u>1,283,301</u>	<u>1,785,493</u>
Total noncurrent liabilities	<u>2,964,202</u>	<u>8,429,352</u>	<u>11,393,554</u>
<b>Net position:</b>			
Invested in capital assets, net	37,224,896	11,674,827	48,899,723
Restricted	701,604	564,768	1,266,372
Unrestricted	<u>13,786,044</u>	<u>(795,170)</u>	<u>12,990,874</u>
Total net position	<u>51,712,544</u>	<u>11,444,425</u>	<u>63,156,969</u>
Total liabilities and net position	<u>\$ 56,175,517</u>	<u>20,013,439</u>	<u>76,188,956</u>

See accompanying notes to financial statements.

Roanoke Redevelopment and Housing Authority  
Statement of Revenues, Expenses, and Changes  
in Net position  
For the Year Ended September 30, 2014

	Enterprise <u>Fund</u>	Component <u>Units</u>	Total Reporting <u>Entity</u>
Operating revenues:			
Tenant revenue	\$ 3,492,255	1,106,355	4,598,610
HUD operating grants	16,482,995	-	16,482,995
Other government grants	20,050	1,200,000	1,220,050
Proceeds from the disposition of assets held for sale	86,832	5,738,613	5,825,445
Cost of sale of assets	(780,896)	(7,645,542)	(8,426,438)
Other revenue	<u>601,565</u>	<u>1,417,149</u>	<u>2,018,714</u>
 Total operating revenue	 <u>19,902,801</u>	 <u>1,816,575</u>	 <u>21,719,376</u>
Operating expenses:			
Administrative salaries	1,912,154	40,479	1,952,633
Other administrative expenses	1,411,052	258,295	1,669,347
Tenant / community services	457,785	-	457,785
Utility expense	2,030,828	115,085	2,145,913
Maintenance salaries	786,531	24,927	811,458
Maintenance other	1,706,515	195,517	1,902,032
Contract / protective services	-	789	789
Insurance	297,916	61,522	359,438
Other general expenses	148,205	2,763,698	2,911,903
Bad debt	136,167	30,070	166,237
Payments in lieu of taxes	120,166	-	120,166
Housing assistance payments	9,683,921	-	9,683,921
Depreciation	<u>2,604,904</u>	<u>830,036</u>	<u>3,434,940</u>
 Total operating expenses	 <u>21,296,144</u>	 <u>4,320,418</u>	 <u>25,616,562</u>
 Operating loss	 <u>(1,393,343)</u>	 <u>(2,503,843)</u>	 <u>(3,897,186)</u>
Non-operating revenues (expenses):			
Capital grants	2,088,472	-	2,088,472
Investment income / mortgage interest	247	648	895
Extraordinary maintenance	(36,969)	-	(36,969)
Interest expense	(57,515)	(240,551)	(298,066)
Gain (Loss) on sale of fixed assets	20,045	-	20,045
Casualty losses	<u>(173)</u>	<u>-</u>	<u>(173)</u>
 Net non-operating income (loss)	 <u>2,014,107</u>	 <u>(239,903)</u>	 <u>1,774,204</u>
 Change in net position	 620,764	 (2,743,746)	 (2,122,982)
 Total net position, beginning	 <u>51,091,780</u>	 <u>14,188,171</u>	 <u>65,279,951</u>
 Total net position, end of year	 <u>\$ 51,712,544</u>	 <u>11,444,425</u>	 <u>63,156,969</u>

See accompanying notes to financial statements.

Roanoke Redevelopment and Housing Authority  
Statement of Cash Flows - All Enterprise Funds  
For the Year Ended September 30, 2014

Cash Flows from Operating Activities:

Receipts from tenants	\$ 3,300,077
Receipts operating grants and subsidies	16,785,084
Other receipts (payments)	(92,499)
Payments to suppliers and employees	<u>(18,330,557)</u>

Net cash flows provided by operating activities 1,662,105

Cash Flows from Capital and Related Financing Activities:

Net deposits to (from) restricted cash	(375,886)
Purchases of capital assets	(1,814,634)
Disposal of capital assets	749,432
Interest paid on capital debt	(64,793)
Principal payments of notes payable	(823,281)
Capital grant contributions	2,088,472
Gain(Loss) on sale of capital assets	20,045
Casualty losses	(173)
Extraordinary maintenance	<u>(36,969)</u>

Net cash flows used in capital and related financing activities (257,787)

Cash Flows from Investing Activities:

Payments received on notes receivable	398,176
Accrued interest receivable	7,848
Matured investments	1,000,000
Interest and dividends	<u>106,055</u>

Net cash flows provided by investing activities 1,512,079

Net increase in cash 2,916,397

Cash at beginning of year 7,779,507

Cash at end of year \$ 10,695,904

Roanoke Redevelopment and Housing Authority  
Statement of Cash Flows (continued) - All Enterprise Funds  
For the Year Ended September 30, 2014

Reconciliation of operating income to cash provided by  
operating activities

Operating loss	\$ (1,393,343)
Items which did not provide (use) cash:	
Depreciation	2,604,904
Bad debt	136,167
Working capital changes which provided (used) cash:	
Accounts receivable - tenants	(191,178)
Accounts receivable - other	282,039
Deferred revenue	18,844
Prepaid expenses	5,822
Assets held for sale	23,007
Accounts payable- HUD	22,375
Accounts payable	153,221
Accrued expenses	33,332
Other liabilities	29,301
Tenant security deposits	(403)
Other current liabilities	<u>(61,983)</u>
Net cash provided by operating activities	<u>\$ 1,662,105</u>



Roanoke Redevelopment and Housing Authority

Notes to Financial Statements

For the Year Ended September 30, 2014

**1. SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund.

The Authority has multiple programs which are accounted for as one business type activity for financial reporting purposes which are presented as the "enterprise fund" in the basic financial statements as follows:

**Enterprise Fund** — In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting, and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

**Governmental Accounting Standards** — The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as pronouncements issued by the Financial Accounting Standards Board on or before November 30, 1989, and those issued after November 30, 1989 except for those that conflict with or contradict Governmental Accounting Standards Board pronouncements.

**B. Cash**

The Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in calculation of collateral required.

**C. Accounts Receivable**

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due.

An allowance for doubtful accounts is established to provide for all accounts that may not be collected in the future for any reason.

**D. Investments**

The required disclosures for investments carried at fair value on a recurring basis are detailed in Note 4.

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Investments (continued)**

The Fair Value Measurements Topic of the Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 inputs are unobservable inputs for the asset or liability. Management did not elect the fair value option for certain financial assets and financial liabilities, which were all eligible for the fair value option, since those instruments were not affected by changes in management's risk management and investment strategy.

**E. Prepaid Items**

Prepaid items consists of payments made to vendors for services that will benefit future periods.

**F. Assets Held for Resale**

These assets consist of foreclosure homes, rental and commercial properties. The foreclosure homes and rental properties are listed at actual cost while the commercial property is listed at actual cost less impairment.

**G. Deferred Revenue**

The Authority recognizes revenues as it is earned. Revenue received in advance of the period in which it is earned is recorded as a liability under deferred revenue.

**H. Revenue Accounting Policies**

Dwelling rental income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue are shown as non-operating income. The financial statements do not contain material inter-fund revenues and expenses for internal activity. The policy is to eliminate any material inter-fund revenues and expenses for these financial statements.

**I. Postemployment Benefits**

For the year ended September 30, 2009, the Authority implemented the requirements of GASB Accounting Standards Codification related to postemployment benefits which recognizes the cost of postemployment health benefits in the same year the employee services are received. Recognition of prior years accumulated liability is being phased in over 30 years as the Authority has adopted the requirements prospectively.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Dwellings and improvements	15-40 years
Furniture, equipment, and machinery	5 years
Infrastructure	30 years

K. Intangible Assets

Intangible assets with finite useful lives are amortized over their estimated useful life. Bond issuance costs consist primarily of unamortized revenue bond issuance costs. Expenses relating to the issuance of the capital program bonds are capitalized and amortized on a straight-line basis over the term of the bonds maturity.

L. Fair Value Measurements

Fair Value Measurements Topic of the Codification was established to create a single definition of fair value and a framework for measuring fair value in generally accepted accounting principles (GAAP) that is intended to result in increased consistency and comparability in fair value measurements. It also expands disclosures about fair value measurements. It applies whenever other authoritative literature requires (or permits) certain assets or liabilities to be measured at fair value, but does not expand the use of fair value. Items carried at fair value on a recurring basis consist of financial instruments which are valued primarily based on quoted prices in active or brokered markets for identical as well as similar assets.

M. Long-lived Assets

The Authority evaluates the carrying value of long-lived assets. When indications of an impairment are present, the recoverability of the carrying value of the assets in question are assessed based on the future undiscounted cash flows expected to result from their use. If the carrying value cannot be recovered, impairment losses are recognized to the extent the carrying value exceeds fair value.

2. REPORTING ENTITY DEFINITION

The Roanoke Redevelopment and Housing Authority (the Authority or RRHA) was created by the City of Roanoke in 1949 under the provisions of the United States Housing Act of 1937. The Authority is governed by a seven member board of commissioners which are appointed by Roanoke's City Council for staggered four year terms. The Board elects a chairman and employs an Executive Director to administer the affairs of the Authority.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**2. REPORTING ENTITY DEFINITION (continued)**

The Authority is a separate political subdivision of the State of Virginia. The Authority has complete legislative and administrative authority over its affairs and recruits and employs personnel. The Authority has substantial legal authority to control its affairs without local government approval therefore all operations of the Authority are a separate reporting entity as reflected in this report.

The Authority adopts an annual budget that is approved by the Board of Commissioners. Subsidies are received primarily from the Department of Housing and Urban Development (HUD). The Authority is responsible for its debts and is entitled to surpluses.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying certain criteria. These criteria include manifestation of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following components units:

**Blended Component Units**

**Shenandoah Crossings, Inc.** - was reported as a blended component unit because it was created to assist the Authority in its mission of housing redevelopment and its operations were indistinguishable from the Authority. Shenandoah Crossings, Inc. was the general partner of the real estate limited partnership Shenandoah Crossings, Limited Partnership. As of May 31, 2013, Shenandoah Crossings, Inc. ceased its operations due to the sale of Shenandoah Crossings, LP.

**Discretely Presented Component Units**

**Roanoke Valley Housing Corporation (RVHC)** - was created as a not-for-profit affiliate organization of the Authority and incorporated in 1995. RVHC was previously reported as a blended component unit because it was created to assist the Authority in its mission to provide affordable housing to low-income families in the City of Roanoke, (the City), and its operations were indistinguishable from the Authority. Roanoke Valley Housing Corporation is the general partner of Hurt Park, LP, Indian Village, LP, Stepping Stone, LP, and Park Street Housing, LP. RVHC became a discretely presented component unit at January 1, 2011.

**Shenandoah Crossings, Limited Partnership (SCLP)** - was a real estate limited partnership created with the purpose of renovating an office building of historical and architectural significance into a luxury apartment complex. The Authority had a significant financial relationship with SCLP and notable influence over the general partner (Shenandoah Crossings, Inc.) of SCLP. As of May 31, 2013, Shenandoah Crossings, Limited Partnership ceased operations due to the sale of the apartment complex to an outside entity.

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

**Stepping Stone, Limited Partnership (SSLP)** The Authority has significant influence over the general partner, Stepping Stone Apartments, LLC, of a real estate limited partnership (SSLP) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnership.

The limited partnership was formed for the purpose of constructing 15 duplex units at the Villages at Lincoln. RVHC acted as the developer on this project. The Authority applied for an allocation of low-income housing tax credits from the Virginia Housing Development Authority. On November 10, 2003 the Authority conveyed 15 vacant lots to SSLP. Construction on the project began in August 2004 and was completed in October 2005. Marketing activities of Stepping Stone Apartments began in January 2005 and rental of duplex units to tenants began in March 2005.

The responsibility for management of the affairs of the limited partnership, and the ongoing management of Stepping Stone Apartments is vested with Stepping Stone Apartments, LLC. The Authority has entered into a fifteen-year agreement with SSLP to manage the thirty units over the life of the tax credit compliance period. The limited partnership's December 31, 2013 year-end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

**Indian Village, Limited Partnership (IVLP)** The Authority has significant influence over the general partner, Indian Village, LLC, a real estate limited partnership (IVLP) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnership.

The limited partnership was formed for the purpose of constructing and operating 24 apartment units. RVHC acted as the developer on this project. The Authority applied for an application of low-income housing tax credits from the Virginia Housing Development Authority on March 11, 2005. Construction on the project began in June 2006 and was completed January 2008.

The responsibility for management of the affairs of the limited partnership, and the ongoing management of Hillcrest Heights Town Homes is vested with Indian Village, LLC. The Authority has entered into a fifteen year agreement with IVLP to manage the twenty four units over the life of the tax credit compliance period. The limited partnership's December 31, 2013 year end financial statements are included within the Authority's basic financial statements. Inquires regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

**Day Avenue, Limited Partnership (DALP)** - was a real estate limited partnership formed to acquire, construct, rehabilitate, and sell seventeen historic homes located on Day Avenue in the City of Roanoke. The Authority had a significant financial relationship with DALP and significant influence over the general partner Day Avenue Improvements, LLC of DALP. As of February 28, 2013, all seventeen houses had been sold and DALP ceased operations.

**Park Street Housing, Limited Partnership (PSLP)** The Authority has significant influence over the general partner, Park Street Housing Development, LLC, a real estate limited partnership (PSLP) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnerships.

The limited partnership was formed for the purpose of constructing and operating 25 apartment units. RVHC acted as the developer on this project. The Authority applied for an allocation of low income housing tax credits from the Virginia Housing Development Authority on March 11, 2005. Construction on the project began in April 2006 and was completed in December 2007.

The responsibility for management of the affairs of the limited partnership, and the ongoing management of Park Street Square is vested with Park Street Housing Development, LLC. The Authority has entered into a fifteen year agreement with PSLP to manage the twenty five units over the life of the tax credit compliance period. The limited partnership's December 31, 2013 year end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

**Hurt Park, Limited Partnership (HPLP)** The Authority has significant influence over the general partner, Hurt Park, LLC, a real estate limited partnership (Hurt Park, LP) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnership.

The limited partnership was formed for the purpose of constructing and operating a 40 unit apartment complex in Roanoke Virginia. RVHC acted as the developer on this project. Construction on the project began in 2007. Construction was completed in May 2009.

The responsibility for management of the affairs of the limited partnership is vested with the general partner. The limited partnership's December 31, 2013 year end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**3. CASH AND INVESTMENT DEPOSITS**

The U.S. Department of Housing and Urban Development, (HUD) requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

Deposits: The three credit risk categories are:

1. Insured or collateralized with securities held by the entity or by its agent (correspondent bank or Federal Reserve bank) in the entity's name.
2. Collateralized with securities held by the pledging financial institution trust department or agent in the entity's name.
3. Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name.

As of September 30, 2014, the carrying amount of the Enterprise fund's cash and cash equivalents (including restricted cash) was \$11,975,941 and the bank balance approximated \$12,150,139. All funds are covered by the federal depository insurance or by collateral held by the Authority's agent in the Authority's name. The Authority is authorized by HUD to invest in time deposits, certificates of deposits and obligations of the U.S. Treasury.

**4. FAIR VALUE MEASUREMENTS**

Fair values of assets and liabilities measured on a recurring basis at September 30, 2014 are as follows:

<u>Fair Value Measurements at Reporting Date Using</u>				
		Quoted Prices In Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Fair Value</u>			
September 30, 2014				
Federal Coupons	\$ 1,664,231	1,664,231	-	-

All assets and liabilities have been valued using a market approach.

**5. CONTRACTUAL COMMITMENTS**

The Authority had Outstanding Contractual Commitments as of the Balance Sheet Date as follows:

Total Commitments	\$7,654,744
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## 6. RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workman's compensation. The Authority established a risk management program for employee's group health insurance in 1995. The Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

## 7. CONCENTRATION OF RISK

The Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

## 8. SIGNIFICANT ESTIMATES

The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives of assets and to reserves for uncollectibility of notes and mortgages receivable. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

## 9. PENSION PLAN

The Authority became a member of the Virginia Retirement System (VRS) on January 1, 2012. All full-time permanent employees are required to enroll in the VRS. The Authority also offers enrollment in the VRS Deferred Benefit Plan on a voluntary basis for full time and part time employees; temporary and contract employees are not eligible to participate in either plan.

The VRS is a mixed agent and cost-sharing, multiple-employer defined benefit pension plan administered by the State of Virginia. The defined benefit plan provides a lifetime monthly benefit during retirement based on a retirement multiplier as a percentage of the member's average 60 consecutive months of highest compensation multiplied by the member's total service credit. The retirement multiplier for the Authority employees (considered non-hazardous duty members) is 1.70% for Plan 1 and Plan 2 members and 1.0% for Hybrid members. Plan 2 members retirement multiplier changes to 1.65% for service beginning January 1, 2013. Benefits vest after five years of service credit; members earn one month of service credit for each month they are employed. The VRS administers two defined benefit plans for local government employees. The Authority and its employees are covered under Plan 2 which is for members joining on July 1, 2010 or later and the Hybrid plan which is required for all members joining on January 1, 2014 or later. Members are eligible for unreduced benefits beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.

Members are required to contribute 5% of regular earnings to the plan each pay period and the Authority contributes 4.72% per pay period. Beginning July 1, 2014, the Authority's contribution rate increased to 6.22% per pay period. This required contribution rate was determined by the VRS based on the Authority's employee population and the benefits the Authority elected to provide to its employees.



Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. PENSION PLAN (continued)

The actuarial methods and assumptions for this plan are as follows:

Valuation Date	June 30, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Payroll Growth Rate	3%
Remaining Amortization Period	20-29 years (decreasing by one each year in subsequent valuations until reaching 0 years)
Asset Valuation Method	5-Year, Smoothed Market
Investment Rate of Return*	7%
Projected Salary Increases*	
1) Non-LEO Members	3.50% To 5.35%
2) LEO Members	3.50% To 4.75%
Cost-of-Living adjustment	
1) Plan 1 Members	2.50%
1) Plan 2 Members	2.25%
* Includes Inflation of 2.50%	

For the fiscal year end September 30, 2014, the Authority's annual pension cost of \$322,708 for VRS was equal to the required and actual contributions.

<u>Annual Required Contribution Rate</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
a. Contribution Rate	6.03%	6.68%
b. Funding Period in Years	30 Years	30 Years
c. Amortization Factor based on funding period	18.2204	18.2204

Funded Status and Funding Progress

As of June 30, 2014, the most recent actuarial valuation date, the plan was funded at 123%. The actuarial accrued liability for benefits was \$1,403,233 and the actuarial value of assets was \$1,719,277, resulting in an unfunded actuarial accrued liability (UAAL) of (\$316,044). The covered payroll (annual payroll of 68 active employees covered by the plan) was \$2,838,454, and the ratio of the UAAL to the covered payroll was (11.13%).

Schedule of Funding Progress for the Authority Pension Plan.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio Assets as % of AAL (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
6/30/14	1,719,277	1,403,233	(316,044)	122.52%	2,838,454	(11.13)%
6/30/13	1,335,603	1,099,123	(236,480)	121.52%	2,793,262	(8.47)%
6/30/12	1,006,319	902,866	(103,453)	111.46%	2,969,069	(3.48)%

Comprehensive annual financial reports that include financial statements and required supplementary information for the plan are available by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500 or from the VRS via web site at <http://www.varetire.org/Pdf/Publications/2013-annual-report.pdf>.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

10. COMPENSATED ABSENCES

The Authority currently provides its employees paid time off (PTO) and limited supplement (LS) in varying amounts according to tenure with the Authority. Upon voluntary termination from the Authority an employee will be paid for any unused PTO balance up to 75 hours. Limited Supplement is not vested nor paid upon termination. PTO accrued but not paid as of September 30, 2014 is carried as a liability while LS is expensed as used but not accrued.

11. ACCOUNTS RECEIVABLE

Accounts Receivable - Tenants

Accounts receivable - tenants for the Enterprise fund are shown at gross of \$146,909 less of an allowance for doubtful accounts of \$55,733 for the year ended September 30, 2014.

Accounts receivable - tenants for the component units are shown at gross of \$113,853 less of an allowance for doubtful accounts of \$99,193 for the year ended December 31, 2013.

Accounts Receivable - Other

Accounts Receivable - Other, consists of following:

	Enterprise Fund	Component Units
Accounts receivable - HUD	\$ 198,900	-
Accounts receivable - other government	66,479	-
Fraud recovery	69,703	-
Fraud recovery - allowance	(11,024)	-
Accounts receivable - management & development fees	19,257	-
Accounts receivable - miscellaneous	15,295	-
	<u>\$ 358,610</u>	<u>-</u>

12. INTERPROGRAM ACTIVITY

The Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Authority's revolving fund and subsequently reimbursed by the other various funds. Balances due for such charges are reflected in the Interprogram Due to/Due from account balances. Interprograms at September 30, 2014 consisted of the following:

Low rent and Capital Fund Program	\$ -
Choice Neighborhood	(20,945)
Section 8 Mod Rehab	-
Hope VI	-
ROSS	(36,454)
Housing Choice Vouchers	-
State/Local	-
COCC	499,167
AMPS	57,399
Business Activities	(499,167)
Shelter Plus	-
CDBG	-
Home Investment Partnership	-
Mainstream	-
	<u>\$ -</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

13. RESTRICTED CASH

The Authority's restricted cash consists of the following as of the end of the fiscal year:

	Enterprise Fund	Component Units
Restricted for HAP Payments	\$ 735,888	-
Restricted for Tenant Security	156,552	28,814
Restricted for Debt Service and Related Reserve	-	564,768
Restricted for Loan Loss Reserve	116,545	-
Restricted for FSS Escrow	177,313	-
Restricted for Payment of Program Income	<u>93,739</u>	<u>-</u>
	<u>\$ 1,280,037</u>	<u>593,582</u>

14. NOTES AND MORTGAGES RECEIVABLE

Notes and mortgage receivable at September 30, 2014 are as follows:

The Authority loaned funds to qualified homeowners through a home rehabilitation program. The Authority entered into a \$2,250,000 Note Purchase Agreement with SunTrust Bank to finance a portion of these mortgage loans with additional funds coming from the city of Roanoke. These mortgage loans are held by the Authority are collateralized by the single-family residences.

\$ 2,131,549

The Authority has a lease/purchase program for prospective homeowners. The purchasers of the homes finance their mortgages through banks, grants from other organizations and occasionally soft second mortgages from the Authority. These soft second mortgages are secured through deeds of trust and deferred purchase money notes bearing zero interest.

72,000

Note receivable with The Hancock Building LLC, payable in full upon default of loan agreement within a 10 year period due October 10, 2018. Unsecured and non-interest bearing.

354,444

Developers fees receivable from discrete component units

1,638,509

Less: Allowance for doubtful accounts

(1,638,509)

Total

2,557,993

Less: current portion

(276,017)

Notes receivable, excluding current portion

\$ 2,281,976

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

15. CAPITAL ASSETS

A summary of the Authority's Capital Assets at September 30, 2014 is as follows:

Enterprise Fund Detail:

	BUSINESS ACTIVITIES	CDBG	PUBLIC HOUSING & CAPITAL FUND	CHOICE NEIGHBORHOOD
Land and Improvements	\$ 68,204	-	11,605,932	-
Infrastructure	-	1,822,317	-	-
Building and Improvements	659,005	-	71,201,602	-
Furniture and Equipment	16,385	-	1,669,920	-
Construction in Process	-	3,544,658	2,899,867	146,862
Less: Accumulated Depreciation	(610,753)	(505,356)	(56,062,074)	-
Total Property and Equipment	\$ <u>132,841</u>	<u>4,861,619</u>	<u>31,315,247</u>	<u>146,862</u>

	HOUSING CHOICE VOUCHERS	COCC	STATE/LOCAL	TOTAL
Land and Improvements	\$ -	-	17,058	11,691,194
Infrastructure	-	-	1,287,000	3,109,317
Building and Improvements	233,250	-	-	72,093,857
Furniture and Equipment	127,555	370,557	-	2,184,417
Construction in Process	-	-	-	6,591,387
Less: Accumulated Depreciation	(336,410)	(346,499)	(488,243)	(58,349,335)
Total Property and Equipment	\$ <u>24,395</u>	<u>24,058</u>	<u>815,815</u>	<u>37,320,837</u>

Enterprise Fund Summary:

	October 1, 2013 Balance	Additions	Transfers & Deletions	September 30, 2014 Balance
Land	\$ 15,576,237	6,824	(347,209)	15,235,852
Construction in Process	<u>4,614,405</u>	<u>1,758,472</u>	<u>(3,326,148)</u>	<u>3,046,729</u>
Total Assets not being depreciated	20,190,642	1,765,296	(3,673,357)	18,282,581
Infrastructure	3,109,317	-	-	3,109,317
Buildings and Improvements	69,172,092	4,417	2,917,348	72,093,857
Furniture and Equipment	<u>2,243,159</u>	<u>44,921</u>	<u>(103,663)</u>	<u>2,184,417</u>
Total Property and Equipment	94,715,210	1,814,634	(859,672)	95,670,172
Less: Accumulated Depreciation	(55,854,671)	(2,590,427)	95,763	(58,349,335)
Net Book Value	\$ <u>38,860,539</u>	<u>(775,793)</u>	<u>(763,909)</u>	<u>37,320,837</u>

A summary of the Discrete Component Unit's Capital Assets at December 31, 2013 is as follows:

	January 1, 2013 Balance	Additions	Transfers & Deletions	December 31, 2013 Balance
Land	\$ 2,354,473	-	(94,636)	2,259,837
Land Improvements	<u>865,861</u>	-	<u>(142,215)</u>	<u>723,646</u>
Total Assets not depreciated	3,220,334	-	(236,851)	2,983,483
Buildings and Improvements	31,910,470	-	(12,080,706)	19,829,764
Furniture and Equipment	<u>233,565</u>	-	<u>(15,854)</u>	<u>217,711</u>
Total Property and Equipment	35,364,369	-	(12,333,411)	23,030,958
Less: Accumulated Depreciation	(6,587,262)	(830,036)	3,279,203	(4,138,095)
Net Book Value	\$ <u>28,777,107</u>	<u>(830,036)</u>	<u>(9,054,208)</u>	<u>18,892,863</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

16. BONDS AND NOTES PAYABLE

Bonds and Permanent Notes

1. To permanently finance certain public housing projects, the Authority issued bonds in the original principal amount of \$3,315,000 with interest rates from 1.60% to 4.50% maturing in September 2014. The bond payments are financed through the Authority's Capital Fund Program. Interest paid and charged to expense during the year was \$14,850. The bonds are secured by the projects' land, structures, and equipment. As of September 30, 2014, the outstanding principal balance of these bonds payable was zero.

2. The Authority issued notes to the Federal Financing Bank in the original principal amount of \$1,390,869. These notes are payable in annual installments each November 1 until maturity in 2014, with interest at 6.6%. The notes are secured by the projects' land, structures, and equipment, and debt service is paid annually by HUD under an annual contributions contract. Interest paid and charged to expense during the year was \$532. As of September 30, 2014, the outstanding principal balance of these debt instruments was zero.

3. Through the Authority's City Activities fund qualified residents who were unable to obtain financing from commercial sources were given mortgage loans to rehabilitate their home. These loans were made in conjunction with CDBG or HOME mortgage loans provided by the City of Roanoke. The Authority obtained loans from SunTrust Bank to fund the mortgage loans provided to the qualified homeowners and collateralized those loans with deeds of trust on the various single-family residences. Interest rates on the notes payable to SunTrust Bank range from 4.7% to 8.13% and principal and interest payments are due in varying amounts through October of 2022. The amount of interest charged and paid as expense during the year was \$34,711. The principal balance at September 30, 2014 was \$507,484. Debt service requirements are as follows:

Fiscal Year	Principal	Interest	Balance Due
2015	\$ 150,180	26,055	357,304
2016	112,506	17,384	244,798
2017	80,404	12,163	164,394
2018	46,439	8,592	117,955
2019	49,205	5,611	68,750
2020-2022	<u>68,750</u>	<u>4,117</u>	-
Total Payments	\$ <u>507,484</u>	<u>73,922</u>	

4. During fiscal year ending September 30, 2007, the Authority issued a mortgage note payable to SunTrust Bank to fund capital activities related to private units owned by the Authority. The note bears interest at 6.95% and is payable in equal monthly installments of \$1,434. The amount of interest paid and charged to expense during the year was \$7,054. The note is secured by capital assets related to the Jamison and Downing Properties. The outstanding principal balance as of September 30, 2014 was \$95,941. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
2015	\$ 10,878	6,326	85,063
2016	11,659	5,545	73,404
2017	12,495	4,708	60,909
2018	13,392	3,812	47,517
2019	14,353	2,851	33,164
2020-2022	<u>33,164</u>	<u>2,868</u>	-
Total Payments	\$ <u>95,941</u>	<u>26,110</u>	

**16. BONDS AND NOTES PAYABLE (continued)****Other Non-current Liabilities Payable to the City of Roanoke**

5. Qualified homeowners participating in a home rehabilitation program were given mortgage loans by the Authority to repair their homes. The Authority entered into an agreement with the City of Roanoke to finance a portion of these mortgage loans through its CDBG and HOME funds. CDBG/HOME funded mortgage loan payments received by the Authority are due back to the City. Repayment from the Authority to the City of outstanding principal and interest balances is deferred without interest for periods of up to fifteen years. The Authority's outstanding balance included in long-term debt owed to the City for these loans as of September 30, 2014, is \$1,794,969. The current portion is \$41,770.

6. The Authority entered into a loan agreement with the City of Roanoke and the Hancock Building, LLC to loan funds provided by the City to The Hancock Building, LLC in the amount of \$880,000. This loan is interest free and the Authority is obligated to pay the City any amounts received from the The Hancock Building, LLC. The principal balance of this loan at September 30, 2014 was \$354,444. The current portion is \$88,000.

A summary of the notes payable at September 30, 2014:

	Total	Current	Long Term
City Activities Notes	\$ 507,484	150,180	357,304
Jamison, Downing Properties	95,941	10,878	85,063
CDBG/HOME Notes	1,794,969	41,770	1,753,199
Hancock Building Note	<u>354,444</u>	<u>88,000</u>	<u>266,444</u>
	<u>\$2,752,838</u>	<u>290,828</u>	<u>2,462,010</u>

**17. ENTERPRISE FUND LONG-TERM LIABILITIES**

As required by governmental accounting standards, a summary of Enterprise Fund Long-term liability activity for the year ended September 30, 2014, is as follows:

	October 1, 2013			September 30, 2014
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Accrued Compensated Absences	\$ 104,816	225,887	224,738	105,965
Accrued OPEB Liabilities	205,661	68,033	42,000	231,694
Bonds Payable	426,772	-	426,772	-
Notes Payable	3,149,347	-	396,509	2,752,838
Other Long Term Liabilities	282,769	47,941	47,388	283,322
Less: Current Portion	<u>(827,840)</u>	<u>(11,737)</u>	<u>(429,960)</u>	<u>(409,617)</u>
Long-Term Liabilities	<u>\$ 3,341,525</u>	<u>330,124</u>	<u>707,447</u>	<u>2,964,202</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

18. NOTES PAYABLE - DISCRETE COMPONENT UNITS

1. As of December 31, 2013, Stepping Stone, LP had a promissory note issued to Virginia Housing and Development Authority in the amount of \$411,094. The note bears interest at 3.25%. Principal and interest is payable in 360 monthly installments of \$2,176. Payments on the note began February of 2006.

2. Stepping Stone, LP had a second promissory note issued to Virginia Community Capital Incorporated. The note bears interest at 2%. Principal and interest are payable monthly with a final payment of all outstanding principal and accrued interest is due in 15 years. Payments on the note began in February of 2006. As of December 31, 2013, the partnership owed \$340,188 against this note.

Debt service requirements for Stepping Stone, LP's notes payable as of December 31, 2013 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2014	\$ 25,212	19,974	726,071
2015	25,888	19,296	700,183
2016	26,569	18,616	673,614
2017	27,303	17,882	646,311
2018	28,040	17,144	618,271
2019-2023	152,005	73,919	466,266
2024-2028	301,251	42,447	165,015
2029-2033	112,488	18,075	52,527
2034-2037	<u>52,527</u>	<u>1,869</u>	-
Total Payments	\$ <u>751,283</u>	<u>229,222</u>	

3. As of December 31, 2013, Indian Village, LP has two VHDA notes secured by a Deed of Trust in the amounts of \$868,830 and \$500,000 plus interest. The VHDA note 1 is bearing interest at 3.5% with principal and interest payments of \$3,926 per month. The loan is to be paid in full by December 2043. The VHDA note 2 is also secured by a Deed of Trust and bears interest at 2%. Current interest only payments of \$833 monthly are required. The note is to be paid in full by 2038.

Debt service requirements for Indian Village, LP's notes payable as of December 31, 2013 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2014	\$ 16,977	40,138	1,351,853
2015	17,581	39,535	1,334,272
2016	18,206	38,909	1,316,066
2017	18,853	38,262	1,297,213
2018	19,524	37,591	1,277,689
2019-2023	108,543	177,033	1,169,146
2024-2028	129,269	156,307	1,039,877
2029-2033	153,953	131,625	885,924
2034-2038	683,348	102,228	202,576
2039	<u>202,576</u>	<u>17,288</u>	-
Total Payments	\$ <u>1,368,830</u>	<u>778,916</u>	

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

18. NOTES PAYABLE - DISCRETE COMPONENT UNITS - (continued)

4. Indian Village, LP owes the Roanoke Valley Housing Corporation \$464,638. No interest accrues on the note, and is payable from net cash flow.

5. As of December 31, 2013, Park Street, LP had two promissory notes issued to Roanoke Redevelopment and Housing Authority with outstanding principal balances as of \$ 1,133,034 and \$1,120,129. Interest due the Authority on the notes has been waived but not forgiven. The principal balance of the notes is due November 5, 2035.

6. Park Street, LP has two notes secured by a Deed of Trust in the amount of \$510,282 and \$100,000 plus interest. The VHDA note 1 is bearing interest at 3.5% with principal and interest payments of \$2,211 per month. The loan is to be paid in full by December 2045. The VHDA note 2 is also secured by a Deed of Trust and bearing interest at 3%. Currently interest only payments of \$250 monthly are required. The loan is to be paid in full by December 2028.

Debt service requirements for Park Street, LP's notes payable to VHDA as of December 31, 2013 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2014	\$ 8,811	20,719	601,471
2015	9,124	20,406	592,347
2016	9,449	20,082	582,898
2017	9,785	19,745	573,113
2018	10,133	19,397	562,980
2019-2023	56,334	91,318	506,646
2024-2028	167,090	80,561	339,556
2029-2033	79,901	52,751	259,655
2034-2038	95,157	37,495	164,498
2039-2043	113,326	19,325	51,172
2044-2045	51,172	1,886	-
Total Payments	\$ <u>610,282</u>	<u>383,685</u>	

7. As of December 31, 2013, Hurt Park, LP had a mortgage loan with VHDA with a balance due of \$1,269,840. The mortgage loan has an interest rate of 4.117% and monthly payments of \$6,073. The mortgage matures in September 2044.

Hurt Park, LP also has a second mortgage with VHDA carrying a balance of \$500,000 and bearing an interest rate of 2%. Payments consist of interest only and the mortgage matures in September 2029.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2014	\$ 20,985	61,886	1,748,855
2015	21,865	61,006	1,726,990
2016	22,782	60,089	1,704,208
2017	23,738	59,133	1,680,470
2018	24,734	58,137	1,655,736
2019-2023	140,135	274,219	1,515,601
2024-2028	172,105	242,249	1,343,496
2029-2033	711,369	179,652	632,127
2034-2038	259,590	104,765	372,537
2039-2043	318,811	45,543	53,726
2044	53,726	926	-
Total Payments	\$ <u>1,769,840</u>	<u>1,147,605</u>	



Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**19. DISCRETE COMPONENT UNITS LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2013, applicable to the Discrete Component Units, was as follows:

	January 1, 2013			December 31, 2013
	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>
Notes Payable	\$14,688,108	-	7,470,072	7,218,036
Other Liabilities	1,743,941	-	460,640	1,283,301
Less Current Portion	<u>(408,547)</u>	<u>(2,392)</u>	<u>(338,954)</u>	<u>(71,985)</u>
Long-Term Liabilities	<u>\$16,023,502</u>	<u>(2,392)</u>	<u>7,591,758</u>	<u>8,429,352</u>

**20. RESTRICTED NET POSITION**

Restricted net position consist of the following:

	Enterprise <u>Fund</u>	Component <u>Units</u>
Restricted for HAP Payments	\$ 701,604	-
Restricted for Debt Service and Related Reserves	-	564,768
	<u>\$ 701,604</u>	<u>564,768</u>

**21. OTHER COMMITMENTS AND CONTINGENCIES**

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

**22. RELATED PARTY TRANSACTIONS**

**Agreements with Stepping Stone, Limited Partnership (Component Unit)**

The Authority and Stepping Stone, LP have entered an agreement whereby the Authority will provide property management services to the LP in exchange for a service fee of 6% of collected rents. As of September 30, 2014, Stepping Stone, LP owed the Authority \$2,215 for property management services and had paid the Authority \$9,079 in management fees during the year.

**Agreements with Indian Village, Limited Partnership (Component Unit)**

The Authority and Indian Village, LP have entered into an agreement whereby the Authority will provide property management services in exchange for a service fee of 6% of gross rents collected. As of September 30, 2014, Indian Village, LP owed the Authority \$1,372 in accrued management fees and expenses. During the year, the Partnership paid \$9,188 in management fees to the Authority.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**22. RELATED PARTY TRANSACTIONS (continued)**

**Agreements with Park Street Housing, Limited Partnership (Component Unit)**

The Authority and Park Street, LP have entered into an agreement whereby the Authority will provide property management services in exchange for a service fee of 6% of gross rents collected. RRHA has an outstanding loan with Park Street, LP of \$2,253,163. As of September 30, 2014, Park Street, LP owed the Authority \$1,004 in accrued management fees and expenses. During the year the partnership paid \$8,013 in management fees to the Authority.

**Agreements with Hurt Park, Limited Partnership (Component Unit)**

The Authority and Hurt Park, LP have entered into an agreement whereby the Authority will provide property management services to the LP in exchange for a service fee of 6% of collected rents. As of September 30, 2014, Hurt Park, LP owed the Authority \$3,424 for property management services and had paid the Authority \$10,320 in management fees during the year.

**23. CONDUIT DEBT**

The Authority, with the approval of the City or other Commonwealth of Virginia local governmental entities, may issue and sell debt to finance the acquisition, development, construction and/or rehabilitation of mixed-use and/or multi-family housing projects and commercial facilities deemed to be in the public interest. Such debt is payable solely from the revenue of the projects, which are owned by the developers, and does not constitute a debt or pledge of the full faith and credit of the Authority, the Commonwealth of Virginia or any political subdivision thereof. Accordingly, such debt and related assets are not presented in the basic financial statements. The aggregate amount of all conduit debt obligations outstanding was zero as of September 30, 2014. No debt of this type was issued for the fiscal year ended September 30, 2014.

**24. USE OF ANOTHER AUDITOR'S WORK**

According to Statements of Auditing Standards, an auditor may "Use the work and reports of other independent auditors who have audited the financial statements of one or more subsidiaries, divisions, branches, components, or investments included in the financial statements presented". When making the decision of whether to include said statements, the Principle Auditor, must take in consideration "the professional reputation and independence of the other auditor". During the Roanoke Redevelopment and Housing Authority audit, we elected to use another independent auditor's work for Shenandoah Crossings, LP, Stepping Stone, LP, Indian Village, LP, Day Ave, LP, Park Street Housing, LP, Hurt Park, LP, and Roanoke Valley Housing Corporation based on the recommendation of the Housing Authority's management.

The aforementioned partnership audits for the year ended December 31, 2013 were performed by Dooley and Vicars, LLP, a highly regarded, independent auditing firm in Richmond, VA. All six audits had unqualified opinions with no findings.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

25. DIFFERENT REPORTING PERIODS

The Roanoke Redevelopment and Housing Authority has a September 30th year end and each of the six discrete component units have December 31st year ends. The December 31, 2013 financial statements for the component units are included in the Authority's September 30, 2014 basic financial statements in the component unit column. According to the Governmental Accounting Standards Board (GASB) Statement 14, paragraph 59.118, if a component unit has a year end differing from that of the reporting entity, the financial statements for the component unit's fiscal year ending during the reporting entity's fiscal year should be incorporated. Statement 14 continues if transactions between component units that have different fiscal years result in inconsistencies in amounts reported as due to or due from, and so forth, the nature and amount of those transactions should be disclosed in the notes to the financial statements.

<u>RRHA - Due to/Due from Park Street Housing, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2013	2,254,167
Net Transfers from January 1, 2014 to September 30, 2014	696
Balance at September 30, 2014	<u>2,254,863</u>
<u>RRHA - Due to/Due from Stepping Stone, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2013	1,733
Net Transfers from January 1, 2014 to September 30, 2014	482
Balance at September 30, 2014	<u>2,215</u>
<u>RRHA - Due to/Due from Indian Village, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2013	1,372
Net Transfers from January 1, 2014 to September 30, 2014	1,100
Balance at September 30, 2014	<u>2,472</u>
<u>RRHA - Due to/Due from Hurt Park, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2013	3,930
Net Transfers from January 1, 2014 to September 30, 2014	(506)
Balance at September 30, 2014	<u>\$ 3,424</u>
<u>RRHA - Due to/Due from RVHC</u>	<u>DR (CR)</u>
Balance at December 31, 2013	36
Net Transfers from January 1, 2014 to September 30, 2014	(36)
Balance at September 30, 2014	<u>\$ -</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

26. GRANTS

During the fiscal year ended September 30, 2014, the Authority closed the following grants:

Capital Fund Program Grant Number	Expenditures prior to fiscal year 2014	Expenditures for fiscal year 2014	Total Expenditures
VA36P011501-11	\$ <u>1,501,742</u>	<u>366,743</u>	<u>1,868,485</u>
	\$ <u>1,501,742</u>	<u>366,743</u>	<u>1,868,485</u>

27. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 31, 2015, the date the financial statements were available to be issued. No subsequent events requiring recognition or disclosure in the financial statements were identified by management.

28. OTHER POSTEMPLOYMENT BENEFIT PLAN

*Plan Description*

The Authority participates in a healthcare plan managed by the Commonwealth of Virginia and administered by Anthem Blue Cross and Blue Shield. The plan subsidizes retiree medical health care coverage at various rates based upon age at retirement. The health care plan is fully-insured and partially experienced-rated. Eligibility is based on reaching age 60 with 5 years of service or age 55 with 10 years of service.

*Funding Policy*

The Authority contributes a subsidy between 50%-100% of the single premium rate based on the age of the employee at retirement. The Authority does not subsidize spousal coverage and the retiree is responsible for any premium not covered by the Authority. Historically, the Authority has funded its retiree health benefits on a pay-as-you-go basis. For the year ended September 30, 2014, the other postemployment plan (OPEB) expense was \$58,776.

*Annual OPEB Cost and Net OPEB Obligation.* The Authority's annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of the GASB Codification. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

28. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

Annual Required Contribution	\$ 58,776
Interest on Net OPEB Obligation	9,255
Adjustment to annual required contribution	<u>(8,765)</u>
Annual OPEB expense	59,266
Contributions made	<u>(33,232)</u>
Increase in net OPEB obligation	26,034
Net OPEB Obligation-beginning of year	<u>205,662</u>
Net OPEB Obligation-end of year	<u>\$ 231,696</u>

The employer contributions of \$33,232 represent 56.5% of the annual required contribution for the year ended September 30, 2014. The annual required contribution calculation for the year ended September 30, 2014 is as follows:

Normal cost at beginning of year	\$ 34,290
Amortization of the unfunded actuarial accrued liability	<u>21,955</u>
Total normal cost and amortization payment	56,245
Adjustment for timing	<u>2,531</u>
Total Annual Required Contribution (ARC)	<u>\$ 58,776</u>

*Funded Status and Funding Progress*

The funded status of the plan based on an actuarial valuation is as follows:

Actuarial accrued liability-beginning of year	\$ 538,267
Actuarial value of assets-beginning of year	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 538,267</u>

Funded ratio 0 %

Covered payroll \$ 2,932,399

UAAL as % of covered payroll 18.4%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented below shows multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

28. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

Schedule of Funding Progress for the Authority OPEB Plan

<u>As of</u>	<u>Actuarial Value of Assets</u> (a)	<u>Actuarial Liability (AAL)</u> (b)	<u>Unfunded AAL (UAAL)</u> (b-a)	<u>Funded Ratio</u> (a/b)	<u>Covered Payroll</u> (c)	<u>UAAL as % of Covered Payroll</u> ((b-a)/c)
10/1/2011	\$0	\$583,714	\$583,714	0%	\$2,828,813	20.6%
10/1/2012	\$0	\$583,714	\$583,714	0%	\$2,828,813	20.6%
10/1/2013	\$0	\$538,267	\$538,267	0%	\$2,932,399	18.4%

Schedule of Employer Contributions for the Authority OPEB Plan

<u>FYE</u>	<u>Employer Contributions</u> a	<u>Annual Required Contribution (ARC)</u> b	<u>% of ARC Contributed</u> c=a/b
9/30/2012	\$40,096	\$58,600	68.4%
9/30/2013	\$39,822	\$58,600	68.0%
9/30/2014	\$33,232	\$58,776	56.5%

Historical Annual OPEB Cost

<u>As of</u>	<u>Annual OPEB Cost</u> a	<u>% of Annual OPEB Cost Contributed</u> b	<u>Net OPEB Obligation</u> c=a/b
9/30/2012	\$58,998	68.00%	186,441
9/30/2013	\$59,043	67.40%	205,662
9/30/2014	\$59,266	56.10%	231,696

29. NEW ACCOUNTING PRONOUNCEMENTS

The Authority adopted Governmental Accounting Standard requiring the reporting of deferred outflows, deferred inflows, and net position for the year ended September 30, 2013. The term Net Assets was replaced with Net Position. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position. The Authority did not have any deferred outflows or deferred inflows to be included on the Statement of Net Position for the year ending September 30, 2014.

30. UNCERTAIN TAX POSITIONS

The Authority had no unrecognized tax benefits at September 30, 2014 and no open years prior to September 30, 2011. The Authority files tax returns in the U.S. federal jurisdiction and the State of Virginia.

**JUMP, PERRY AND COMPANY, L.L.P.** CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Commissioners of the  
Roanoke Redevelopment and Housing Authority:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Roanoke Redevelopment and Housing Authority, (the "Authority"), as of and for the year ended September 30, 2014 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 31, 2015.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Imo, Perry and Company LLP*

March 31, 2015  
Toms River, New Jersey



**JUMP, PERRY AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS**

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Board of Commissioners of the  
Roanoke Redevelopment and Housing Authority:

**Report on Compliance for Each Major Federal Program**

We have audited Roanoke Redevelopment and Housing Authority's, (the "Authority"), compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2014. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

**Opinion of Each Major Federal Program**

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

## **Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Jump, Perry and Company LLP*

March 31, 2015  
Toms River, New Jersey

Roanoke Redevelopment and Housing Authority

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2014

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Direct Awards:		
Public Housing	14.850	\$ 4,859,044
Housing Choice Vouchers	14.871	10,283,202
Mainstream	14.879	198,662
Resident Opportunity and Support Services	14.870	224,080
Public Housing Capital Fund Program	14.872	2,132,023
Choice Neighborhoods Planning Grants	14.892	167,348
Pass-through from City of Roanoke:		
Shelter Plus Care Program	14.238	186,876
Community Development Block Grant	14.218	<u>45,382</u>
		<u>\$18,096,617</u>

Roanoke Redevelopment and Housing Authority

Notes to Schedule of Federal Awards

September 30, 2014

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Roanoke Redevelopment and Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2. Loan Guarantees

At September 30, 2014, the Authority is not the guarantor of any loans outstanding, except as discussed in the notes to the financial statements.

Roanoke Redevelopment and Housing Authority

Schedule of Findings and Questioned Costs

September 30, 2014

I. Summary of Auditor's Results

Financial Statement Section

- |    |   |            |
|----|---|------------|
| 1. | Type of auditor's report issued:  | Unmodified |
| 2. | Internal control over financial reporting   |            |
|    | a. Material Weakness(es) identified?  | No         |
|    | b. Were significant deficiencies identified not considered to be material weaknesses? | No         |
| 3. | Noncompliance material to the financial statements?                                   | No         |

Federal Awards Section

- |    |   |            |
|----|---|------------|
| 1. | Internal control over major programs:   |            |
|    | a. Material Weakness(es) identified?  | No         |
|    | b. Were significant deficiencies identified not considered to be material weaknesses?                                 | No         |
| 2. | Type of auditor's report issued on compliance for major programs:<br>Housing Choice Voucher Cluster                   | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) | No         |
| 4. | Dollar threshold used to determine Type A Programs: type A and B programs   | \$555,858  |
| 5. | Auditee qualified as low risk?  | Yes        |
| 6. | <u>Major Programs:</u>  |            |

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Vouchers

Roanoke Redevelopment and Housing Authority  
Schedule of Findings and Questioned Costs (continued)

September 30, 2014

II. Financial Statement Findings

None

III. Federal Award Findings and Questioned Costs

None

IV. Summary of Prior Audit Findings and Questioned Costs

None

Roanoke Redevelopment and Housing Authority  
Schedule of Findings and Questioned Costs (continued)

September 30, 2014

Current year findings and questioned costs

None

Supplementary Information



Roanoke Redevelopment and Housing Authority

Schedule of Funding Progress

For the Year Ended September 30, 2014

Schedule of Funding Progress for the Authority Pension Plan:

Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets</u> (a)	Actuarial Accrued Liability <u>(AAL)</u> (b)	Unfunded AAL <u>(UAAL)</u> (b-a)	Funded Ratio Assets as <u>% of AAL</u> (a/b)	Covered <u>Payroll</u> (c)	UAAL as % of Covered <u>Payroll</u> ((b-a)/c)
6/30/14	\$ 1,719,277	1,403,233	(316,044)	122.52%	2,838,454	(11.13)%
6/30/13	1,335,603	1,099,123	(236,480)	121.52%	2,793,262	(8.47)%
6/30/12	1,006,319	902,866	(103,453)	111.46%	2,969,069	(3.48)%

Schedule of Funding Progress for the Authority OPEB Plan:

<u>As of</u>	Actuarial Value of <u>Assets</u> (a)	Actuarial Accrued Liability <u>(AAL)</u> (b)	Unfunded AAL <u>(UAAL)</u> (b-a)	Funded Ratio <u>(a/b)</u>	Covered <u>Payroll</u> (c)	UAAL as % of Covered <u>Payroll</u> ((b-a)/c)
10/1/2010	0	1,349,461	1,349,461	0%	3,099,765	43.5%
10/1/2011	0	583,714	583,714	0%	2,828,813	20.6%
10/1/2012	0	583,714	583,714	0%	2,828,813	20.6%
10/1/2013	0	538,267	538,267	0%	2,932,399	18.4%

FDS #		Row #		Balance Sheet									
		Description		Total AMTs	S8 HCV Fund 306 14,871	Choice Neighborhood 14,892	S8 MAINSTREAM Fund 310 14,181	S8 Mod Rehab Prgrms Combined 14,856	ROSS 14,870	CDBG 14,218	HOME 14,239		
111	7	Cash-unrestricted	7,044,131	315,861			117,427	214,257					
112	8	Cash-restricted-modernization and development	-										
113	9	Cash-other restricted	72,308	806,609			25,460			40,955	52,784		
114	10	Cash-tenant security deposits	151,096										
115	11	Cash - Restricted for payment of current liability	-										
100	12	<b>Total Cash</b>	<b>7,267,535</b>	<b>1,122,470</b>			<b>142,887</b>	<b>214,257</b>		<b>40,955</b>	<b>52,784</b>		
121	14	Accounts receivable - PHA projects	-										
122-010	15	Accounts receivable - HUD other projects - Operating Subsidy	-										
122-020	16	Accounts receivable - HUD other projects - Capital fund	104,721										
122-030	17	Accounts receivable - HUD other projects - Other	-						64,604				
122	18	<b>Accounts receivable - HUD other projects</b>	<b>104,721</b>						<b>64,604</b>				
124	19	Account receivable - other government	900							11,506	1,389		
125-010	20	Account receivable - miscellaneous - Not For Profit	-										
125-020	21	Account receivable - miscellaneous - Partnership	-										
125-030	22	Account receivable - miscellaneous - Joint Venture	-										
125-040	23	Account receivable - miscellaneous - Tax Credit	-										
125-050	24	Account receivable - miscellaneous - Other	1,724							1,491	1,954		
125	25	<b>Account receivable - miscellaneous</b>	<b>1,724</b>							<b>1,491</b>	<b>1,954</b>		
126	26	Accounts receivable - tenants	138,755										
126	27	Allowance for doubtful accounts - tenants	(49,699)										
126	28	Allowance for doubtful accounts - other	-										
127	29	Notes, Loans, & Mortgages Receivable - Current	-							17,217	24,553		
128	30	Fraud recovery	-	69,703									
128	31	Allowance for doubtful accounts - fraud	-	(11,024)									
129	32	Accrued interest receivable	-							56	111		
120	33	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>196,401</b>	<b>58,679</b>					<b>64,604</b>	<b>30,270</b>	<b>28,007</b>		
131	35	Investments - unrestricted	1,058,148										
132	36	Investments - restricted	-										
135	37	Investments - Restricted for payment of current liability	-										
142	38	Prepaid expenses and other assets	200,180	31,840									
143	39	Inventories	-										
143	40	Allowance for obsolete inventories	-										
144	41	Inter program - due from	57,399										
145	42	Assets held for sale	-										
150	43	<b>Total Current Assets</b>	<b>8,779,663</b>	<b>1,122,989</b>			<b>142,887</b>	<b>214,257</b>	<b>64,604</b>	<b>71,225</b>	<b>80,791</b>		
161	45	Land	11,605,932								3,544,658		
162	46	Buildings	71,201,602	233,250									
163	47	Furniture, equipment and machinery - dwellings	767,668										
164	48	Furniture, equipment and machinery - administration	902,252	127,555									
165	49	Leasehold improvements	-										

Balance Sheet

FDS #	Row #	Description	Total AMFs	S8 HCY Fund 306 14,871	Choice Neighborhood 14,892	S8 MAINSTREAM Fund 310 14,181	S8 Mod Rehab Prgrms Combined 14,856	ROSS 14,870	CDBG 14,218	HOME 14,239
166	50	Accumulated depreciation	(56,062,074)	(336,410)	-	-	-	-	(505,356)	-
167	51	Construction in progress	2,899,867	-	146,862	-	-	-	1,822,317	-
168	52	Infrastructure	-	-	-	-	-	-	4,861,619	-
160	53	Total capital assets, net of accumulated depreciation	31,315,247	24,395	146,862	-	-	-	-	-
171-010	55	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-	-	-	-	-	-	-	-
171-020	56	Notes, Loans, & mortgages receivable - Non-current - Partnership	-	-	-	-	-	-	-	-
171-030	57	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-	-	-	-	-	-	-	-
171-040	58	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit	-	-	-	-	-	-	515,801	1,237,412
171-050	59	Notes, Loans, & Mortgages receivable - Non-current - Other	-	-	-	-	-	-	515,801	1,237,412
171	60	Notes, Loans, & Mortgages receivable - Non-current	-	-	-	-	-	-	-	-
173	67	Grants receivable - Non-current	-	-	-	-	-	-	-	-
174-040	68	Other assets - Tax Credit	-	-	-	-	-	-	-	-
174-050	69	Other assets - Other	-	-	-	-	-	-	-	-
174	70	Other assets	-	-	-	-	-	-	-	-
176-010	71	Investment in Joint venture - Not For Profit	-	-	-	-	-	-	-	-
176-020	72	Investment in Joint venture - Partnership	-	-	-	-	-	-	-	-
176-030	73	Investment in Joint venture - Joint Venture	-	-	-	-	-	-	-	-
176-040	74	Investment in Joint venture - Tax Credit	-	-	-	-	-	-	-	-
176-050	75	Investment in Joint venture - Other	-	-	-	-	-	-	-	-
176	76	Investment in joint venture	-	-	-	-	-	-	-	-
180	77	Total Non-current Assets	31,315,247	24,395	146,862	-	-	-	5,377,420	1,237,412
190	79	Total Assets	40,094,910	1,237,384	176,437	142,887	214,257	64,604	5,448,645	1,318,203
311	81	Bank overdraft	-	-	-	-	-	-	-	-
312	82	Accounts payable <= 90 days	147,223	16,665	8,630	-	-	345	-	53
313	83	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	84	Accrued wage/payroll taxes payable	61,227	17,837	-	-	-	6,961	-	-
322	85	Accrued compensated absences - current portion	45,576	12,242	-	-	-	1,710	-	-
324	86	Accrued contingency liability	-	-	-	-	-	-	-	-
325	87	Accrued interest payable	-	-	-	-	-	-	-	56
331-010	88	Accounts payable - HUD PHA Programs - Operating Subsidy	-	-	-	-	-	-	-	-
331-020	89	Accounts payable - HUD PHA Programs - Capital fund	-	-	-	-	-	-	-	-
331-030	90	Accounts payable - HUD PHA Programs - Other	-	-	-	25,460	-	-	-	-
331	91	Accounts payable - HUD PHA Programs	-	-	-	25,460	-	-	-	-
332	92	Accounts payable - PHA Projects	120,166	-	-	-	-	-	-	56,127
333	93	Accounts payable - other government	151,096	-	-	-	-	-	55,456	-
341	94	Tenant security deposits	8,614	-	-	-	-	-	-	-
342-010	95	Deferred revenue - Operating Subsidy	-	-	-	-	-	-	-	-
342-020	96	Deferred revenue - Capital fund	-	-	-	-	-	-	-	-
342-030	97	Deferred revenue - Other	19,626	20,157	-	-	-	-	-	-

Balance Sheet

FDS #	Row #	Description	Total AMPs	S8 HCV Fund 306 14,871	Choice Neighborhood 14,892	S8 MAINSTREAM Fund 310 14,181	S8 Mod Rehab Prgrams Combined 14,856	ROSS 14,870	CDBG 14,218	HOME 14,239
342	98	Deferred revenue	28,240	20,157	-	-	-	-	-	-
343-010	99	CFPP	-	-	-	-	-	-	-	-
343-020	100	Capital Projects/ Mortgage Revenue	-	-	-	-	-	-	-	-
343	101	curr portion long-term debt - capital projts/mortg revenue bonds	-	-	-	-	-	-	-	-
344	102	Current portion of long-term debt - operating borrowings	-	-	-	-	-	-	-	-
345	103	Other current liabilities	18,598	-	-	-	-	-	-	-
346	104	Accrued liabilities - other	-	-	20,945	-	-	36,454	-	-
347	105	Inter program - due to	-	-	-	-	-	-	-	-
348-010	106	Loan liability - current - Not For Profit	-	-	-	-	-	-	-	-
348-020	107	Loan liability - current - Partnership	-	-	-	-	-	-	-	-
348-030	108	Loan liability - current - Joint Venture	-	-	-	-	-	-	-	-
348-040	109	Loan liability - current - Tax Credit	-	-	-	-	-	-	17,217	24,553
348-050	110	Loan liability - current - Other	-	-	-	-	-	-	17,217	24,553
348	111	Loan liability - current	-	-	-	-	-	-	72,782	80,791
310	112	Total Current Liabilities	572,126	66,901	29,575	25,460	-	45,470	-	-
351-010	114	Long-term debt - CFPP	-	-	-	-	-	-	-	-
351-020	115	Long-term - Capital Projects/ Mortgage Revenue	-	-	-	-	-	-	-	-
351	116	Capital Projects- Mortgages/ Revenue Bonds	-	-	-	-	-	-	-	-
352	117	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-
353	118	Non-current liabilities - other	72,306	107,085	-	-	-	-	-	-
354	119	Accrued compensated absences- Non-current	-	-	-	-	-	-	-	-
355-010	120	Loan liability - Non-current - Not For Profit	-	-	-	-	-	-	-	-
355-020	121	Loan liability - Non-current - Partnership	-	-	-	-	-	-	-	-
355-030	122	Loan liability - Non-current - Joint Venture	-	-	-	-	-	-	-	-
355-040	123	Loan liability - Non-current - Tax Credit	-	-	-	-	-	-	-	-
355-050	124	Loan liability - Non-current - Other	-	-	-	-	-	-	515,787	1,237,412
355	126	Other - Comment	-	-	-	-	-	-	515,787	1,237,412
356	127	Loan liability - Non-current	-	-	-	-	-	-	-	-
357	128	FASB 5 Liabilities	170,979	21,362	-	-	-	19,134	-	-
350	129	Accrued Pension and OPEB Liability	243,285	128,447	-	-	-	19,134	-	-
300	131	Total Non-current liabilities	815,411	195,348	29,575	25,460	-	64,604	588,569	1,318,203
508	133	Invested in capital assets, net of related debt	31,315,247	24,395	146,862	-	-	-	4,861,619	-
511		Restricted Net Assets	-	701,604	-	-	-	-	-	-
512		Unrestricted Net Assets	7,964,252	316,037	117,427	117,427	214,257	-	(1,543)	-
513	136	Total Equity/Net Assets	39,279,499	1,042,036	146,862	117,427	214,257	-	4,860,076	-
600	138	Total Liabilities and Equity/Net assets	40,094,910	1,237,384	176,437	142,887	214,257	64,604	5,448,645	1,318,203



Income Statement		Description		Total AMFs	S8 HCV Fund 306 14,871	S8 MAIN-STREAM FUND 310 14,181	S8 Mod Rehab Prgm Total 14,856	ROSS 14,870	CDBG 14,218	HOME 14,239
FDS #	Row #	Description		Total AMFs	S8 HCV Fund 306 14,871	S8 MAIN-STREAM FUND 310 14,181	S8 Mod Rehab Prgm Total 14,856	ROSS 14,870	CDBG 14,218	HOME 14,239
92100	197	Tenant services - salaries		78,449	36,858			137,095		
92200	198	Relocation Costs		336						
92300	199	Employee benefit contributions - tenant services		22,776	11,434			42,184		
92400	200	Tenant services - other		60,009	3,482			44,406		
92500	201	Total Tenant Services		161,570	51,774			223,625		
93100	203	Water		402,301	1,045	24				
93200	204	Electricity		629,141	1,472	40				
93300	205	Gas		553,987	2,131	53				
93400	206	Fuel			1,047					
93500	207	Labor				24				
93600	208	Sewer		405,803						
93700	209	Employee benefit contributions - utilities								
93750		HAP Portability-In								
93800	211	Other utilities expense								
93000	212	Total Utilities		1,991,232	5,695	141				
94100	214	Ordinary maint & operations-labor		683,645						
94200	215	Ordinary maint & operations-materials and other		375,149						
94300-010	216	Ordinary maint & operations contracts-Garbage/Trash Removal		140,790						
94300-020	217	Ordinary maint & operations contracts-Heating & Cooling		129,909						
94300-030	218	Ordinary maint & operations contracts-Snow Removal								
94300-040	219	Ordinary maint & operations contracts-Elevator Maint		35,594						
94300-050	220	Ordinary maint & operations contracts-Landscape & Grounds		119,643						
94300-060	221	Ordinary maint & operations contracts-Unit Turnaround		136,028						
94300-070	222	Ordinary maint & operations contracts-Electrical		114,409						
94300-080	223	Ordinary maint & operations contracts-Plumbing		45,633						
94300-090	224	Ordinary maint & operations contracts-Extermination		70,189						
94300-100	225	Ordinary maint & operations contracts-Janitorial		13,532	2,673					
94300-110	226	Ordinary maint & operations contracts-Routine Maint		252,936						
94300-120	227	Ordinary maint & operations contracts-Misc		58,195	4,319	161				
94300	228	Ordinary Maintenance and Operations Contracts		1,116,858	6,992	161				
94500	229	Ordinary maint-Employee benefit contributions		213,423						
94000	230	Total Maintenance		2,389,075	6,992	161				
95100	232	Protective services - labor								
95200	233	Protective services - other contract costs								
95300	234	Protective services - other								

Income Statement		Description		Total AMPs	S8 HCV Fund 306 14,871	S8 MAIN-STREAM FUND 310 14,181	S8 Mod Rehab Prgm Total 14,856	ROSS 14,870	CDBG 14,218	HOME 14,239
FDS #	Row #	Description		Total AMPs	S8 HCV Fund 306 14,871	S8 MAIN-STREAM FUND 310 14,181	S8 Mod Rehab Prgm Total 14,856	ROSS 14,870	CDBG 14,218	HOME 14,239
95500	235	Protective services - Employee benefit contributions		-	-	-	-	-	-	-
95000	236	<b>Total Protective Services</b>		-	-	-	-	-	-	-
96110	238	Property Insurance		161,051	-	-	-	-	-	-
96120	239	Liability Insurance		56,674	6,683	-	-	-	905	-
96130	240	Workmen's Compensation		21,264	3,807	-	-	-	-	-
96140	241	All other Insurance		15,931	1,633	307	-	-	-	-
96100	242	<b>Total Insurance Premiums</b>		254,920	12,123	307	-	-	905	-
96200	244	Other general expenses		10,864	-	-	-	-	40,974	1,462
96210	245	Compensated absences		(1,904)	24,873	-	-	455	-	-
96300	246	Payments in lieu of taxes		120,166	-	-	-	-	-	-
96400	247	Bad debt - tenant rents		120,280	-	-	-	-	-	-
96500	248	Bad debt - mortgages		-	-	-	-	-	-	-
96600	249	Bad debt - other		-	-	-	-	-	-	-
96800	250	Severance expense		-	-	-	-	-	-	-
96000	251	<b>Total Other General Expenses</b>		249,206	24,873	-	-	455	40,974	1,462
96710	253	Interest of Mortgage (or Bonds) Payable		15,382	-	-	-	-	-	-
96720	254	Interest on Notes Payable (Short and Long Term)		-	-	-	-	-	-	-
96730	255	Amortization of Bond Issue Costs		368	-	-	-	-	-	-
96700	256	<b>Interest expense and Amortization cost</b>		15,750	-	-	-	-	-	-
96900	258	<b>Total Operating Expenses</b>		7,491,283	951,203	20,486	-	224,080	55,758	1,462
97000	260	<b>Excess Revenue Over Operating Expenses</b>		2,948,603	9,899,711	146,862	194,981	-	(671,303)	-
97100	262	Extraordinary maintenance		36,969	-	-	-	-	-	-
97200	263	Casualty losses- Non-capitalized		173	-	-	-	-	-	-
97300-010	264	Mainsream 1 & 5 year		-	-	185,644	-	-	-	-
97300-020	265	Home-Ownership		-	51,194	-	-	-	-	-
97300-025	266	Litigation		-	-	-	-	-	-	-
97300-030	267	Hope IV		-	-	-	-	-	-	-
97300-035	268	Moving to Work		-	227,680	-	-	-	-	-
97300-040	269	Tenant Protection		-	9,002,850	-	-	-	-	-
97300-050	270	All Other		-	9,281,724	-	-	-	-	-
97300	271	<b>Housing assistance payments</b>		-	39,592	185,644	-	-	-	-
97350	273	HAP Portability In		2,461,051	-	-	-	-	61,038	-
97400	274	Depreciation expense		-	10,683	-	-	-	-	-
97500	274	Fraud losses		-	-	-	-	-	-	-
97800	275	Dwelling units rent expense		-	-	-	-	-	-	-
90000	276	<b>Total Expenses</b>		9,989,476	10,283,202	20,486	-	224,080	116,796	1,462
10010	278	Operating transfer in		17,855	-	-	-	-	-	-
10020	279	Operating transfer out		(17,855)	-	-	-	-	-	-
10030-010	280	Not For Profit		-	-	-	-	-	-	-
10030-020	281	Partnership		-	-	-	-	-	-	-
10030-030	282	Joint Venture		-	-	-	-	-	-	-
10030-040	283	Tax Credit		-	-	-	-	-	-	-
10030-050	284	Other		-	-	-	-	-	-	-

Income Statement										
FDS #	Row #	Description	Total AMPs	S8 HCV Fund 306 14,871	S8 MAIN-STREAM FUND 310 14,181	S8 Mod Rehab Prgm Total 14,856	ROSS 14,870	CDBG 14,218	HOME 14,239	
10030	285	Operating transfers from / to primary government	-	-	-	-	-	-	-	
10040	286	Operating transfers from / to component unit	-	-	-	-	-	-	-	
10070	287	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	
10080	288	Special items, net gain/loss	-	-	-	-	-	-	-	
10091	289	Inter AMP Excess Cash Transfer In	-	-	-	-	-	-	-	
10092	290	Inter AMP Excess Cash Transfer Out	-	-	-	-	-	-	-	
10093	291	Transfers from Program to AMP	-	-	-	-	-	-	-	
10094	292	Transfers from AMP to Program	-	-	-	-	-	-	-	
10100	293	Total other financing sources (uses)	-	-	-	-	-	-	-	
10000	295	Excess (Deficiency) of Revenue Over (Under) Expenses	450,410	567,712	146,862	9,337	-	(732,341)	-	
11020	297	Required Annual Debt Principal Payments	426,771	-	-	-	-	-	-	
11030	299	Beginning equity	38,829,089	474,324	-	108,090	-	5,592,417	-	
11040-010	301	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	
11040-020	302	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	
11040-030	303	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	
11040-040	304	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	
11040-050	305	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	
11040-060	306	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	
11040-070	307	Equity Transfers (UNRESTRICTED)	-	-	-	-	-	-	-	
11040-080	308	Equity Transfers (RESTRICTED)	-	-	-	-	-	-	-	
11040-090	309	Equity Transfers	-	-	-	-	-	-	-	
11040-100	310	Equity Transfers	-	-	-	-	-	-	-	
11040-110	311	Equity Transfers	-	-	-	-	-	-	-	
11040	312	Prior period adjustments, equity transfers, & correction of errors	-	-	-	-	-	-	-	



Balance Sheet										
FDS #	Row #	Description	STATE/ LOCAL	2014 Shelter Plus Care 14,238	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
111	7	Cash-unrestricted	1,794,529		-	1,209,699		10,695,904	448,947	11,144,851
112	8	Cash-restricted-modernization and development	-		-	-		-	-	-
113	9	Cash-other restricted	116,545	8,824	-	-		1,123,485	564,768	1,688,253
114	10	Cash-tenant security deposits	-		5,456	-		156,552	28,814	185,366
115	11	Cash - Restricted for payment of current liability	-		-	-		-	-	-
100	12	<b>Total Cash</b>	1,911,074	8,824	5,456	1,209,699	-	11,975,941	1,042,529	13,018,470
121	14	Accounts receivable - PHA projects	-		-	-		-	-	-
122-010	15	Accounts receivable - HUD other projects - Operating Subsidy	-		-	-		-	-	-
122-020	16	Accounts receivable - HUD other projects - Capital fund	-		-	-		104,721	-	104,721
122-030	17	Accounts receivable - HUD other projects - Other	-		-	-		94,179	-	94,179
122	18	<b>Accounts receivable - HUD other projects</b>	-		-	-		198,900	-	198,900
124	19	Account receivable - other government	52,684		-	-		66,479	-	66,479
125-010	20	Account receivable - miscellaneous - Not For Profit	-		-	-		-	-	-
125-020	21	Account receivable - miscellaneous - Partnership	-		-	-		-	-	-
125-030	22	Account receivable - miscellaneous - Joint Venture	-		19,257	-		-	-	19,257
125-040	23	Account receivable - miscellaneous - Tax Credit	-		-	230,720	(220,594)	15,295	-	15,295
125-050	24	Account receivable - miscellaneous - Other	-		19,257	230,720	(220,594)	34,552	-	34,552
125	25	<b>Account receivable - miscellaneous</b>	-		8,154	-		146,909	113,853	260,762
126	26	Accounts receivable - tenants	-		(6,034)	-		(55,733)	(99,193)	(154,926)
126	27	Allowance for doubtful accounts - tenants	-		-	-		-	-	-
126	28	Allowance for doubtful accounts - other	-		-	-		-	-	-
127	29	Notes, Loans, & Mortgages Receivable - Current	234,247		-	-		276,017	-	276,017
128	30	Fraud recovery	-		-	-		69,703	-	69,703
128	31	Allowance for doubtful accounts - fraud	-		-	-		(11,024)	-	(11,024)
129	32	Accrued interest receivable	13,592		-	-		13,759	-	13,759
120	33	<b>Total receivables, net of allowance for doubtful accounts</b>	300,523		21,377	230,720	(220,594)	739,562	14,660	754,222
131	35	Investments - unrestricted	606,083		-	-		1,664,231	-	1,664,231
132	36	Investments - restricted	-		-	-		-	-	-
135	37	Investments - Restricted for payment of current liability	-		-	-		-	-	-
142	38	Prepaid expenses and other assets	190		9,067	28,417		269,694	24,993	294,687
143	39	Inventories	-		-	-		-	-	-
143	40	Allowance for obsolete inventories	-		-	-		-	-	-
144	41	Inter program - due from	-		-	499,167	(556,566)	-	-	-
145	42	Assets held for sale	1,779,287		143,989	-		1,923,276	-	1,923,276
150	43	<b>Total Current Assets</b>	4,597,157	8,824	179,889	1,968,003	(777,160)	16,572,704	1,082,182	17,654,886
161	45	Land	17,058		68,204	-		15,235,852	2,983,483	18,219,335
162	46	Buildings	-		659,005	-		72,093,857	19,829,764	91,923,621
163	47	Furniture, equipment and machinery - dwellings	-		-	-		767,668	217,711	985,379
164	48	Furniture, equipment and machinery - administration	-		16,385	370,557		1,416,749	-	1,416,749
165	49	Leasehold improvements	-		-	-		-	-	-

		Balance Sheet								
EDS #	Row #	Description	STATE/ LOCAL	2014 Shelter Plus Care 14,238	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
166	50	Accumulated depreciation	(488,245)	-	(610,753)	(346,499)	-	(58,349,335)	(4,138,095)	(62,487,430)
167	51	Construction in progress	-	-	-	-	-	3,046,729	-	3,046,729
168	52	Infrastructure	1,287,000	-	-	-	-	3,109,317	-	3,109,317
160	53	Total capital assets, net of accumulated depreciation	815,815	-	132,841	24,058	-	37,320,837	18,892,863	56,213,700
171-010	55	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-	-	-	-	-	-	-	-
171-020	56	Notes, Loans, & mortgages receivable - Non-current - Partnership	-	-	-	-	-	-	-	-
171-030	57	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-	-	-	-	-	-	-	-
171-040	58	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit	-	-	-	-	-	-	-	-
171-050	59	Notes, Loans, & Mortgages receivable - Non-current - Other	583,412	-	-	-	(54,649)	2,281,976	-	2,281,976
171	60	Notes, Loans, & Mortgages receivable - Non-current	583,412	-	-	-	(54,649)	2,281,976	-	2,281,976
173	67	Grants receivable - Non-current	-	-	-	-	-	-	-	-
174-040	68	Other assets - Tax Credit	-	-	-	-	-	-	38,394	38,394
174-050	69	Other assets - Other	-	-	-	-	-	-	38,394	38,394
174	70	Other assets	-	-	-	-	-	-	-	-
176-010	71	Investment in Joint venture - Not For Profit	-	-	-	-	-	-	-	-
176-020	72	Investment in Joint venture - Partnership	-	-	-	-	-	-	-	-
176-030	73	Investment in Joint venture - Joint Venture	-	-	-	-	-	-	-	-
176-040	74	Investment in Joint venture - Tax Credit	-	-	-	-	-	-	-	-
176-050	75	Investment in Joint venture - Other	-	-	-	-	-	-	-	-
176	76	Investment in Joint venture	-	-	132,841	24,058	(54,649)	39,602,813	18,931,257	58,534,070
180	77	Total Non-current Assets	1,399,227	-	-	-	-	-	-	-
190	79	Total Assets	5,996,384	8,824	312,730	1,992,061	(831,809)	56,175,517	20,013,439	76,188,956
311	81	Bank overdraft	-	-	-	-	-	-	-	-
312	82	Accounts payable <= 90 days	789	-	3,188	5,710	-	182,603	17,024	199,627
313	83	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-
321	84	Accrued wage/payroll taxes payable	-	-	3,711	56,944	-	146,680	-	146,680
322	85	Accrued compensated absences - current portion	-	-	812	45,625	-	105,965	-	105,965
324	86	Accrued contingency liability	-	-	-	12,824	-	12,824	-	12,824
325	87	Accrued interest payable	1,285	-	-	-	-	1,452	11,417	12,869
331-010	88	Accounts payable - HUD PHA Programs - Operating Subsidy	-	-	-	-	-	-	-	-
331-020	89	Accounts payable - HUD PHA Programs - Capital fund	-	-	-	-	-	-	-	-
331-030	90	Accounts payable - HUD PHA Programs - Other	-	8,824	-	-	-	34,284	-	34,284
331	91	Accounts payable - HUD PHA Programs	-	8,824	-	-	-	34,284	-	34,284
332	92	Accounts payable - PHA Projects	-	-	-	-	-	-	-	-
333	93	Accounts payable - other government	268,839	-	-	-	-	500,588	-	500,588
341	94	Tenant security deposits	-	-	5,456	-	-	156,552	28,500	185,052
342-010	95	Deferred revenue - Operating Subsidy	-	-	-	-	-	8,614	-	8,614
342-020	96	Deferred revenue - Capital fund	-	-	-	-	-	-	-	-
342-030	97	Deferred revenue - Other	-	-	-	-	-	39,783	492	40,275

Balance Sheet										
FDS #	Row #	Description	STATE/ LOCAL	2014 Shelter Plus Care 14,238	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
342	98	Deferred revenue	-	-	-	-	-	48,397	492	48,889
343-010	99	CFPP	-	-	-	-	-	-	-	-
343-020	100	Capital Projects/ Mortgage Revenue	-	-	-	-	-	-	-	-
343	101	Curr portion long-term debt - capital proj's/mortg revenue bonds	-	10,878	-	-	-	10,878	71,985	82,863
344	102	Current portion of long-term debt - operating borrowings	-	-	-	-	-	18,598	-	18,598
345	103	Other current liabilities	-	-	-	-	-	-	-	-
346	104	Accrued liabilities - other	-	-	-	-	(556,566)	-	-	-
347	105	Inter program - due to	-	-	499,167	-	-	-	-	-
348-010	106	Loan liability - current - Not For Profit	-	-	-	-	-	-	-	-
348-020	107	Loan liability - current - Partnership	-	-	-	-	-	-	10,244	10,244
348-030	108	Loan liability - current - Joint Venture	-	-	-	-	-	-	-	-
348-040	109	Loan liability - current - Tax Credit	238,180	-	-	-	-	279,950	-	279,950
348-050	110	Loan liability - current - Other	238,180	-	-	-	-	279,950	-	290,194
348	111	Loan liability - current	509,093	-	-	121,103	(556,566)	1,498,771	139,662	1,638,433
310	112	Total Current Liabilities	-	8,824	523,212	-	-	-	-	-
351-010	114	Long-term debt - CFPP	-	-	-	-	-	-	-	-
351-020	115	Long-term - Capital Projects/ Mortgage Revenue	-	-	-	-	-	-	-	-
351	116	Capital Projects- Mortgages/ Revenue Bonds	-	-	85,063	-	-	85,063	7,146,051	7,231,114
352	117	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-
353	118	Non-current liabilities - other	95,131	-	-	8,800	(54,649)	283,322	1,283,301	1,566,623
354	119	Accrued compensated absences- Non-current	-	-	-	-	-	-	-	-
355-010	120	Loan liability - Non-current - Not For Profit	-	-	-	-	-	-	-	-
355-020	121	Loan liability - Non-current - Partnership	-	-	-	-	-	-	-	-
355-030	122	Loan liability - Non-current - Joint Venture	-	-	-	-	-	-	-	-
355-040	123	Loan liability - Non-current - Tax Credit	-	-	-	-	-	-	-	-
355-050	124	Loan liability - Non-current - Other	623,748	-	-	-	-	2,376,947	-	2,376,947
355	126	Other - Comment	-	-	-	-	-	-	-	-
356	127	Loan liability - Non-current	623,748	-	-	-	-	2,376,947	-	2,376,947
357	128	FASB 5 Liabilities	-	-	-	-	-	-	-	-
350	129	Accrued Pension and OPEB Liability	718,879	-	9,119	218,870	(220,594)	218,870	-	218,870
300	131	Total Non-current liabilities	-	-	148,831	227,670	(275,243)	2,964,202	8,429,352	11,393,554
300	131	Total Liabilities	1,227,972	8,824	672,043	348,773	(831,809)	4,462,973	8,569,014	13,031,987
508	133	Invested in capital assets, net of related debt	815,815	-	36,900	24,058	-	37,224,896	11,674,827	48,899,723
511	134	Restricted Net Assets	-	-	-	-	-	701,604	564,768	1,266,372
512	135	Unrestricted Net Assets	3,952,597	-	(396,213)	1,619,230	-	13,786,044	(795,170)	12,990,874
513	136	Total Equity/Net Assets	4,768,412	-	(359,313)	1,643,288	-	51,712,544	11,444,425	63,156,969
600	138	Total Liabilities and Equity/Net assets	5,996,384	8,824	312,730	1,992,061	(831,809)	56,175,517	20,013,439	76,188,956

Income Statement

FDS #	Row #	Description	STATE/ LOCAL 2	Shelter Plus Care 14,238	Business Activity 1	Central Office Cost Center	Elimination	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
70300	144	Net tenant rental revenue	-	-	150,952	-	-	3,184,526	1,035,830	4,220,356
70400	145	Tenant revenue - other	-	-	1,752	-	-	307,729	70,525	378,254
70500	146	Total Tenant Revenue	-	-	152,704	-	-	3,492,255	1,106,355	4,598,610
70600-010	148	Housing assistance payments	-	176,961	-	-	-	10,214,956	-	10,214,956
70600-020	149	Ongoing administrative fees earned	-	9,915	-	-	-	877,821	-	877,821
70600-030	150	FSS Coordinator	-	-	-	-	-	50,813	-	50,813
70600-040	151	Actual independent public accountant audit costs	-	-	-	-	-	-	-	-
70600-050	152	Total preliminary fees earned	-	-	-	-	-	-	-	-
70600-060	153	Interest earned on advances	-	-	-	-	-	-	-	-
70600-070	154	Admin fee calculation description	-	-	-	-	-	-	-	-
70600	155	HUD PHA operating grants	-	186,876	-	-	-	16,482,995	-	16,482,995
70610	156	Capital grants	-	-	-	-	-	2,088,472	-	2,088,472
70710	158	Management Fee	-	-	-	1,265,224	(1,265,224)	-	-	-
70720	159	Asset Management Fee	-	-	-	151,320	(151,320)	-	-	-
70730	160	Book-Keeping Fee	-	-	-	254,423	(254,423)	-	-	-
70740	161	Front Line Service Fee	-	-	-	279,740	(279,740)	-	-	-
70750	162	Other Fees	-	-	-	-	-	-	-	-
70700	163	Total Fee Revenue	-	-	-	1,950,707	(1,950,707)	-	-	-
70800	165	Other government grants	5,671	-	-	-	-	20,050	1,200,000	1,220,050
71100-010	166	Housing Assistance Payment	-	-	-	-	-	-	-	-
71100-020	167	Administrative Fee	-	-	-	-	-	(35,124)	648	(34,476)
71100	168	Investment income - unrestricted	(20,507)	-	-	-	-	35,371	-	35,371
71200	169	Mortgage interest income	31,850	-	77,882	-	-	86,832	5,738,613	5,825,445
71300	170	Proceeds from disposition of assets held for sale	6,950	-	(77,882)	-	-	(780,896)	(7,645,542)	(8,426,438)
71310	171	Cost of sale of assets	(24,887)	-	-	-	-	3,362	-	3,362
71400-010	172	Housing Assistance Payment	-	-	-	-	-	3,361	-	3,361
71400-020	173	Administrative Fee	-	-	-	-	-	6,723	-	6,723
71400	174	Fraud recovery	-	-	-	-	-	-	-	-
71500	175	Other revenue	68,061	-	230,598	96,344	(6,084)	594,842	1,417,149	2,011,991
71600	176	Gain or loss on sale of capital assets	-	-	3,105	4,740	-	20,045	-	20,045
72000-010	177	Housing Assistance Payment	-	-	-	-	-	-	-	-
72000-020	178	Administrative Fee	-	-	-	-	-	-	-	-
72000	179	Investment income - restricted	-	-	386,407	-	-	-	-	-
70000	180	Total Revenue	67,138	186,876	386,407	2,051,791	(1,956,791)	22,011,565	1,817,223	23,828,788
91100	182	Administrative salaries	750	5,042	43,832	1,095,246	-	1,912,154	40,479	1,952,633
91200	183	Auditing fees	2	342	263	12,827	-	49,185	9,625	58,810
91300	184	Management Fees	-	-	87,157	-	(1,265,224)	-	149,092	149,092
91310	185	Book-Keeping fee	-	-	-	-	(254,423)	-	-	-
91400	186	Advertising and Marketing	-	-	-	11,900	-	20,301	-	20,301
91500	187	Employee benefit contributions - administrative	88	2,154	14,656	318,602	-	575,220	-	575,220
91600	188	Office Expenses	-	-	152	107,122	-	363,012	22,446	385,458
91700	189	Legal Expense	8,117	126	838	44,740	(8,145)	150,842	26,055	176,897
91800	190	Travel	-	-	-	10,723	-	14,317	2,024	16,341
91810	191	Allocated Overhead	-	-	-	-	-	-	-	-
91900	192	Other	-	1,730	29,406	30,887	(150,434)	238,175	49,053	287,228
91000	193	Total Operating-Administrative	8,937	9,394	176,304	1,632,047	(1,678,226)	3,323,206	298,774	3,621,980
92000	195	Asset Management Fee	-	-	-	-	(151,320)	-	-	-

Income Statement										
FDS #	Row #	Description	STATE/ LOCAL 2	Shelter Plus Care 14,238	Business Activity 1	Central Office Cost Center	Elimination	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
92100	197	Tenant services - salaries	-					252,342	-	252,342
92200	198	Relocation Costs	-					336	-	336
92300	199	Employee benefit contributions - tenant services	-					76,394	-	76,394
92400	200	Tenant services - other	-			32,533	(11,737)	128,713	-	128,713
92500	201	Total Tenant Services	-			32,533	(11,737)	457,785	-	457,785
93100	203	Water	-	21	1,305	5,451		410,147	24,436	434,583
93200	204	Electricity	-	35	1,080	7,731		639,499	63,519	703,018
93300	205	Gas	-	42		11,130		567,343	3,035	570,378
93400	206	Fuel	-					1,047	-	1,047
93500	207	Labor	-	21	1,478	5,466		412,792	24,095	436,887
93600	208	Sewer	-						-	
93700	209	Employee benefit contributions - utilities	-						-	
93750		HAP Portability-In	-						-	
93800	211	Other utilities expense	-						-	
93000	212	Total Utilities	-	119	3,863	29,778		2,030,828	115,085	2,145,913
94100	214	Ordinary maint & operations-labor	-		43,679	59,207		786,531	24,927	811,458
94200	215	Ordinary maint & operations-materials and other	-		6,789	7,616		389,554	17,617	407,171
94300-010	216	Ordinary maint & operations contracts-Garbage/Trash Removal	-		516			141,306	11,085	152,391
94300-020	217	Ordinary maint & operations contracts-Heating & Cooling	-					129,909	7,909	137,818
94300-030	218	Ordinary maint & operations contracts-Snow Removal	-						-	
94300-040	219	Ordinary maint & operations contracts-Elevator Maint	-					35,594	3,206	38,800
94300-050	220	Ordinary maint & operations contracts-Landscape & Grounds	3,330		3,790	1,372		128,135	28,257	156,392
94300-060	221	Ordinary maint & operations contracts-Unit Turnaround	-					136,028	45,608	181,636
94300-070	222	Ordinary maint & operations contracts-Electrical	-				(98,743)	25,666	2,450	28,116
94300-080	223	Ordinary maint & operations contracts-Plumbing	-			169		45,802	1,472	47,274
94300-090	224	Ordinary maint & operations contracts-Extermination	-		2,513			72,702	6,687	79,389
94300-100	225	Ordinary maint & operations contracts-Janitorial	-			14,759		30,964	8,363	39,327
94300-110	226	Ordinary maint & operations contracts-Routine Maint	-				(13,497)	239,439	14,246	253,685
94300-120	227	Ordinary maint & operations contracts-Misc	-	137	34,143	2,623	(13,268)	86,310	48,617	134,927
94300	228	Ordinary Maintenance and Operations Contracts	3,330	137	40,962	18,923	(115,508)	1,071,855	177,900	1,249,755
94500	229	Ordinary maint- Employee benefit contributions	-		13,796	17,887		245,106	-	245,106
94000	230	Total Maintenance	-	137	105,226	103,633	(115,508)	2,493,046	220,444	2,713,490
95100	232	Protective services - labor	-						-	
95200	233	Protective services - other contract costs	-						-	
95300	234	Protective services - other	-						789	789

Income Statement		FDS #	Row #	Description	STATE/ LOCAL 2	Shelter Plus Care 14,238	Business Activity 1	Central Office Cost Center	Elimination	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
95500	235		Protective services - Employee benefit contributions	-	-	-	-	-	-	-	-	
95000	236		Total Protective Services	-	-	-	-	-	-	789	789	
96110	238		Property Insurance	11		4,297	-	-	165,359	56,885	222,244	
96120	239		Liability Insurance	14	265	1,092	1,854	-	67,487	3,261	70,748	
96130	240		Workmen's Compensation	-	-	1,484	17,786	-	44,341	929	45,270	
96140	241		All other insurance	-	-	292	2,566	-	20,729	447	21,176	
96100	242		Total insurance Premiums	25	265	7,165	22,206	-	297,916	61,522	359,438	
96200	244		Other general expenses	67,862	-	-	-	-	120,962	2,763,698	2,884,660	
96210	245		Compensated absences	-	-	1,328	2,491	-	27,243	-	27,243	
96300	246		Payments in lieu of taxes	-	-	-	-	-	120,166	-	120,166	
96400	247		Bad debt - tenant rents	-	-	887	-	-	121,167	30,070	151,237	
96500	248		Bad debt - mortgages	15,000	-	-	-	-	15,000	-	15,000	
96600	249		Bad debt - other	-	-	-	-	-	-	-	-	
96800	250		Severance expense	-	-	-	-	-	-	-	-	
96000	251		Total Other General Expenses	82,862	-	2,215	2,491	-	404,538	2,793,768	3,198,306	
96710	253		Interest of Mortgage (or Bonds) Payable	-	-	7,054	-	-	22,436	236,428	258,864	
96720	254		Interest on Notes Payable (Short and Long Term)	34,711	-	-	-	-	34,711	-	34,711	
96730	255		Amortization of Bond Issue Costs	-	-	-	-	-	368	4,123	4,491	
96700	256		Interest expense and Amortization cost	34,711	-	7,054	-	-	57,515	240,551	298,066	
96900	258		Total Operating Expenses	129,885	9,915	301,827	1,822,708	(1,956,791)	9,064,834	3,730,933	12,795,767	
97000	260		Excess Revenue Over Operating Expenses	(62,747)	176,961	84,580	229,083	-	12,946,731	(1,913,710)	11,033,021	
97100	262		Extraordinary maintenance	-	-	-	-	-	36,969	-	36,969	
97200	263		Casualty losses- Non-capitalized	-	-	-	-	-	173	-	173	
97300-010	264		Mainstream 1 & 5 Year	-	-	-	-	-	185,644	-	185,644	
97300-020	265		Home-Ownership	-	-	-	-	-	51,194	-	51,194	
97300-025	266		Litigation	-	-	-	-	-	-	-	-	
97300-030	267		Hope IV	-	-	-	-	-	-	-	-	
97300-035	268		Moving to Work	-	-	-	-	-	227,680	-	227,680	
97300-040	269		Tenant Protection	-	-	-	-	-	9,179,811	-	9,179,811	
97300-050	270		All Other	176,961	-	-	-	-	9,644,329	-	9,644,329	
97300	271		Housing assistance payments	176,961	-	-	-	-	39,592	-	39,592	
97350			HAP Portability In	-	-	23,528	5,705	-	2,604,904	830,036	3,434,940	
97400	273		Depreciation expense	42,899	-	-	-	-	-	-	-	
97500	274		Fraud losses	-	-	-	-	-	-	-	-	
97800	275		Dwelling units rent expense	-	-	-	-	-	-	-	-	
90000	276		Total Expenses	172,784	186,876	325,355	1,828,413	(1,956,791)	21,390,801	4,560,969	25,951,770	
10010	278		Operating transfer in	-	-	-	-	(17,855)	-	-	-	
10020	279		Operating transfer out	-	-	-	-	17,855	-	-	-	
10030-010	280		Not For Profit	-	-	-	-	-	-	-	-	
10030-020	281		Partnership	-	-	-	-	-	-	-	-	
10030-030	282		Joint Venture	-	-	-	-	-	-	-	-	
10030-040	283		Tax Credit	-	-	-	-	-	-	-	-	
10030-050	284		Other	-	-	-	-	-	-	-	-	



**JUMP, PERRY AND COMPANY, L.L.P.** CERTIFIED PUBLIC ACCOUNTANTS

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Independent Accountant's Report on Applying  
Agreed-Upon Procedures

To Roanoke Redevelopment and Housing Authority:

We have performed the procedure described in the second paragraph of this report, which was agreed to by Roanoke Redevelopment and Housing Authority and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the reporting package. Roanoke Redevelopment and Housing Authority is responsible for accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged to perform an audit in accordance with Audits of States, Local Governments, and Non-profit Organizations, of the financial statements of Roanoke Redevelopment and Housing Authority as of and for the year ended September 30, 2014, and have issued our reports thereon dated March 31, 2015. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the supplemental financial data templates dated March 31, 2015, was expressed in relation to the basic financial statements of Roanoke Redevelopment and Housing Authority taken as a whole.

A copy of the financial statement package required by OMB Circular A-133, which includes the auditor's reports is available in its entirety from Roanoke Redevelopment and Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of Roanoke Redevelopment and Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

March 31, 2015  
Toms River, New Jersey

*Jump, Perry and Company LLP*



Attachment to Independent Accountant's Report on Applying  
Agreed-Upon Procedures

UFRS Rule Information	Hard Copy Document(s)	Findings
Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedules, all CFDAs	Agrees
Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
Type of Opinion on the Financial Data Schedule (data element G5100-010)	Auditor's supplemental report on Financial Data Schedule	Agrees
Audit Findings Narrative (data element G5200-010)	Schedule of Findings and Questioned Costs	Agrees
General information (data element series G2000, G2100, G2200, G2300, G9000, G9100)	OMB Data Collection Form	Agrees
Financial statement report information (data element G3000-010 to G3000-050, G3100-010 to G3100-030, G3200-010 to G3200-030, G3300-010 to G3300-060, G3400-010 to G3400-020)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form.	Agrees
Federal program report information (data element G4000-010 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form.	Agrees
Federal agencies required to receive reporting package (data element G4000-050)	OMB Data Collection Form	Agrees
Basic financial statements and auditor's reports required to be submitted electronically.	Basic financial statements (inclusive of auditor reports)	Agrees